DOCUMENT RESUME

ED 384 759	CE 069 409
TITLE	Hearings on Training Issues. Hearings before the Subcommittee on Postsecondary Education, Training and Life-Long Learning of the Committee on Economic and Educational Opportunities, House of Representatives, One Hundred Fourth Congress, First Session (March 1, 3, 7, 16, 21, and 23, 1995).
INSTITUTION	Congress of the U.S., Washington, DC. House Committee on Economic and Educational Opportunities.
REPORT NO	ISBN-0-16-047292-X
PUB DATE	Mar 95
NOTE	677p.; Serial No. 104-12.
AVAILABLE FROM	U.S. Government Printing Office, Superintendent of Documents, Congressional Sales Office, Washington, DC 20402.
PUB TYPE	Legal/Legislative/Regulatory Materials (090) -- Viewpoints (Opinion/Position Papers, Essays, etc.) (120)
EDRS PRICE	MF04/PC28 Plus Postage.
DESCRIPTORS	Demonstration Programs; Educational Change; *Educational Innovation; *Educational Needs; Educational Practices; Educational Trends; *Education Work Relationship; *Employer Attitudes; Federal Government; *Government Role; Hearings; Job Skills; Job Training; Postsecondary Education; *School Business Relationship; Secondary Education
IDENTIFIERS	Congress 104th; Proposed Legislation

ABSTRACT

This document records the oral and written testimony of more than 50 witnesses who testified in a series of hearings held by a U.S. House of Representatives subcommittee on establishing a streamlined top quality and efficient system of work force preparation for young people and dislocated workers. The hearings focused on what the federal role should be in changing education both at the secondary and that postsecondary levels to meet the global economy demands of a high performance workplace. Witnesses included practitioners in the field who have been successful in designing educational programs that teach students the academic and vocational skills they will need to meet the needs of employers; other witnesses were students who have benefited from innovative educational programs and employers who have hired students who meet their employment demands. The witnesses testified that innovative approaches are working in some places in the country and that federal legislation that gives local communities and schools the flexibility to implement these ideas without burdensome regulations is needed. The witnesses especially wanted some funding for innovative ideas without the huge amounts of time-consuming paperwork that are presently necessary to fulfill the requirements for various federal set-aside programs. (KC)

CE

ED 384 759

HEARINGS ON TRAINING ISSUES

HEARINGS

BEFORE THE

SUBCOMMITTEE ON POSTSECONDARY EDUCATION, TRAINING AND LIFE-LONG LEARNING

OF THE

COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTH CONGRESS

FIRST SESSION

HEARINGS HELD IN WASHINGTON, DC, MARCH 1, 3, 7, 16, 21, AND 22, 1995

Serial No. 104–12

Printed for the use of the Committee on Economic and Educational Opportunities

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☑ This document has been reproduced as received from the person or organization originating it
☐ Minor changes have been made to improve reproduction quality
● Points of view or opinions stated in this document do not necessarily represent official OERI position or policy

CE069409

2

BEST COPY AVAILABLE

HEARINGS ON TRAINING ISSUES

HEARINGS

BEFORE THE

SUBCOMMITTEE ON
POSTSECONDARY EDUCATION, TRAINING AND
LIFE-LONG LEARNING

OF THE

COMMITTEE ON ECONOMIC AND
EDUCATIONAL OPPORTUNITIES
HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTH CONGRESS

FIRST SESSION

HEARINGS HELD IN WASHINGTON, DC, MARCH 1, 3, 7, 16,
21, AND 23, 1995

Serial No. 104–12

Printed for the use of the Committee on Economic
and Educational Opportunities

U.S. GOVERNMENT PRINTING OFFICE
90–736CC WASHINGTON : 1995

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-047292-X

COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES

WILLIAM F. GOODLING, Pennsylvania, *Chairman*

THOMAS E. PETRI, Wisconsin
MARGE ROUKEMA, New Jersey
STEVE GUNDERSON, Wisconsin
HARRIS W. FAWELL, Illinois
CASS BALLENGER, North Carolina
BILL E. BARRETT, Nebraska
RANDY "DUKE" CUNNINGHAM, California
PETER HOEKSTRA, Michigan
HOWARD P. "BUCK" McKEON, California
MICHAEL N. CASTLE, Delaware
JAN MEYERS, Kansas
SAM JOHNSON, Texas
JAMES M. TALENT, Missouri
JAMES C. GREENWOOD, Pennsylvania
TIM HUTCHINSON, Arkansas
JOSEPH K. KNOLLENBERG, Michigan
FRANK D. RIGGS, California
LINDSEY O. GRAHAM, South Carolina
DAVE WELDON, Florida
DAVID FUNDERBURK, North Carolina
MARK SOUDER, Indiana
DAVID McINTOSH, Indiana
CHARLIE NORWOOD, Georgia

WILLIAM (BILL) CLAY, Missouri
GEORGE MILLER, California
DALE E. KILDEE, Michigan
PAT WILLIAMS, Montana
MATTHEW G. MARTINEZ, California
MAJOR R. OWENS, New York
THOMAS C. SAWYER, Ohio
DONALD M. PAYNE, New Jersey
PATSY T. MINK, Hawaii
ROBERT E. ANDREWS, New Jersey
JACK REED, Rhode Island
TIM ROEMER, Indiana
ELIOT L. ENGEL, New York
XAVIER BECERRA, California
ROBERT C. "BOBBY" SCOTT, Virginia
GENE GREEN, Texas
LYNN C. WOOLSEY, California
CARLOS A. ROMERO-BARCELÓ, Puerto Rico
MEL REYNOLDS, Illinois

JAY EAGEN, *Staff Director*
GAIL E. WEISS, *Minority Staff Director*

SUBCOMMITTEE ON POSTSECONDARY EDUCATION, TRAINING AND LIFE-LONG LEARNING

HOWARD P. "BUCK" McKEON, California, *Chairman*

STEVE GUNDERSON, Wisconsin
DAVID M. McINTOSH, Indiana
WILLIAM F. GOODLING, Pennsylvania
THOMAS E. PETRI, Wisconsin
MARGE ROUKEMA, New Jersey
FRANK D. RIGGS, California
DAVID FUNDERBURK, North Carolina
MARK E. SOUDER, Indiana

PAT WILLIAMS, Montana
ROBERT E. ANDREWS, New Jersey
JACK REED, Rhode Island
TIM ROEMER, Indiana
GENE GREEN, Texas
LYNN C. WOOLSEY, California
CARLOS A. ROMERO-BARCELO, Puerto Rico

CONTENTS

Page

Hearings held in Washington, DC:

March 1, 1995 1
March 3, 1995 77
March 7, 1995 221
March 16, 1995 291
March 21, 1995 385
March 23, 1995 511

Statement of:

Bloom, Dan, Senior Research Associate, Manpower Demonstration Research Corporation 222
Bowland, Debra, Ohio Bureau of Employment Services 424
Carnevale, Anthony, Chairman, National Commission for Employment Policy 512
Carreon, Susan, Dean of Vocational Education, Golden West Community College, Huntington Beach, CA 160
Clendenning, Cathy, Penobscot Job Corps Center 367
Cove, Peter, CEO, America Works 476
Derrough, Neil, President, KNSD–59, Channel 39 225
Dickerson, James, Private Industry Council Chair, Central Ozarks Private Industry Council 400
Dotson, Cindy, Director, Crispus Attucks YouthBuild Program 273
Drach, Ronald W., National Employment Director, Disabled American Veterans 611
Evans, J. Handel, Vice Chancellor, California State University 459
Gallagher, Tom, Manager of Research and Planning, Wyoming Department of Employment 537
Gallego, Augustine P., Chancellor, San Diego Community College District 444
Glatfelter, Art, President and CEO, Glatfelter Insurance Group 140
Gonzales, Richard, Student, Covina, CA 63
Guzman, Estaban, graduate from the CET Program 255
Ihlenfeldt, Doctor William, President, Chippewa Valley Technical College, Eau Claire, WI 29
Jagiel, Patricia, Seminole Tribe of Florida 580
Johnson, Calvin, AFL–CIO 555
Johnson, Randy, County Commissioner, Hennepin County, MN 386
Johnson, Hon. William A., Mayor, Rochester, NY 276
Kappner, Hon. Augusta, Assistant Secretary, Office of Vocational and Adult Education, U.S. Department of Education, Washington, DC 92
Kimery, Bruce F., Acting Commissioner, Department of Workforce Development, Indianapolis, IN 104
Mashburn, Paul, Computer Assisted Drafting Coordinator, Westminster High School, Westminster, CA 176
Masten, Charles C., Inspector, U.S. Department of Labor 359
McKernan, Hon. John, former Governor, State of Maine 78
Mitchell, Stuart, Executive Director, Rural Opportunities, Inc. 546
Neifert, Pamela, Director of Federal Programs, York City Schools, York, PA 51
Patrick, Brene, Assistant CEO, Youth Division, San Diego Private Industry Council 232
Pena, Graciela, JTPA Section 402 participant 591
Perez, Jose, Executive Director, SER–Jobs for Progress, Inc. 486
Polto, John, Vocational Administrative Director, Dauphin County Technical School, Harrisburg, PA 4

Page

Statement of—Continued

Rosenstock, Doctor Lawrence, Executive Director, Rindge School of Technical Arts, Cambridge, MA ... 37
Scott, Jonna, Student, Lacey, WA ... 69
Sofranac, Rodo, Chairman, Arizona Job Training Coordinating Council ... 411
Stearnes, Carolyn, Vice President for Employment Division, Senior Citizen Services ... 651
Sweetheimer, Jim, English Teacher, Dauphin County Technical School, Harrisburg, PA ... 15
Tershy, Russ, Director, Center for Employment Training ... 246
Tetro, Charles, President, Training and Development Corporation ... 349
This, Jim, Executive Vice President, Washington State Employees Credit Union, Olympia, WA ... 59
Vanderford, Roy, President, Indianapolis Network for Employment and Training ... 543
Van Newkirk, Dr. Jack C., Superintendent, York City Schools, York PA ... 148
Walker, Gary, President, Public/Private Ventures ... 310
Wang, Nora, Commissioner, New York City Department of Employment ... 292
Weckstein, Paul, Co-Director, Center for Law & Education, Washington, DC ... 190
Westry, Lester, Crispus Attucks YouthBuild Program ... 274
Wheeler, Kevin, Director, National Semiconductor University ... 525
Williams, Sharon, Director, Opportunities Industrialization Center West ... 301

Prepared statements, letters, supplemental materials, et cetera:

American Association of School Administrators, American Association of University Women, American Federation of State and County Municipal Employees, American Civil Liberties Union, Association for Community Based Education, Association for Women in Science, Association of Teacher Educators, Center for Women Policy Studies, General Federation of Women's Clubs, Girls, Incorporated, National Coalition for Sex Equity in Education, National Coalition for Women and Girls in Education, National Council of Administrative Women in Education, National Council of Negro Women, National Commission on Working Women, National Women's Law Center, NOW Legal Defense and Education Fund, The United Methodist Church General Board of Church and Society, Wider Opportunities for Women, Women for Meaningful Summits, Women Work! The National Network for Women's Employment, and YWCA [USA], prepared statement of ... 215
Ashe, Hon. Victor, Mayor of Knoxville, President, United States Conference of Mayors, Washington DC, prepared statement of ... 289
Bowland, Debra, Ohio Bureau of Employment Services, prepared statement of ... 427
Carnevale, Anthony, Chairman, National Commission for Employment Policy, prepared statement of ... 514
Carreon, Susan, Dean of Vocational Education, Golden West Community College, Huntington Beach, CA, prepared statement of ... 163
Clendenning, Cathy, Penobscot Job Corps Center, prepared statement of ... 369
Cove, Peter, CEO, America Works, prepared statement of ... 478
Derrough, Neil, President, KNSD–59, Channel 39, prepared statement of ... 227
Dickerson, James, Private Industry Council Chair, Central Ozarks Private Industry Council, prepared statement of ... 402
Drach, Ronald W., National Employment Director, Disabled American Veterans, prepared statement of ... 613
Emmsley, William T. Jr., Executive Director, Samoan Service Providers Association, Honolulu, HI, prepared statement of ... 669
Evans, J. Handel, Vice Chancellor, California State University, prepared statement of ... 461
Frederick, James S. Director of Industrial Hygiene, United Rubber, Linoleum, Cork and Plastic Workers of America, prepared statement of ... 505
Gallagher, Tom, Manager of Research and Planning, Wyoming Department of Employment, prepared statement of ... 537
Gallego, Augustine P., Chancellor, San Diego Community College District, prepared statement of ... 447

Page

Prepared statements, letters, supplemental materials, et cetera—Continued

Glatfelter, Art, President and CEO, Glatfelter Insurance Group, prepared statement of 142
Gonzales, Richard, Student, Covina, CA, prepared statement of 63
Ihlenfeldt, Doctor William, President, Chippewa Valley Technical College, Eau Claire, WI, prepared statement of 31
Jagiel, Patricia, Seminole Tribe of Florida, prepared statement of 583
Johnson, Calvin, AFL–CIO, prepared statement of 555
Johnson, Randy, County Commissioner, Hennepin County, MN, prepared statement of 389
Johnson, Hon. William A., Mayor, Rochester, NY, prepared statement of 274
Jones, Mark, Chairman, Employers' National Job Service Council, prepared statement of 502
Kappner, Hon. Augusta, Assistant Secretary, Office of Vocational and Adult Education, U.S. Department of Education, Washington, DC, prepared statement of 94
Kimery, Bruce F., Acting Commissioner, Department of Workforce Development, Indianapolis, IN, prepared statement of 106
Mashburn, Paul, Computer Assisted Drafting Coordinator, Westminster High School, Westminster, CA, prepared statement of 178
Masten, Charles C., Inspector, U.S. Department of Labor, prepared statement of 341
McKernan, Hon. John, former Governor, State of Maine, prepared statement of 80
Mitchell, Stuart, Executive Director, Rural Opportunities, Inc., prepared statement of 598
Moore, Andrew O., Director, Government Relations and Public Affairs, National Association of Service and Conservation Corps, prepared statement of 381
Neifert, Pamela, Director of Federal Programs, York City Schools, York, PA, prepared statement of 54
Patrick, Brene, Assistant CEO, Youth Division, San Diego Private Industry Council, prepared statement of 235
Pena, Graciela, JTPA Section 402 participant, prepared statement of 593
Perez, Jose, Executive Director, SER–Jobs for Progress, Inc., prepared statement of 488
Polto, John, Vocational Administrative Director, Dauphin County Technical School, Harrisburg, PA, prepared statement of 7
Rosenstock, Doctor Lawrence, Executive Director, Rindge School of Technical Arts, Cambridge, MA, prepared statement of 39
Scott, Jonna, Student, Lacey, WA, prepared statement of 72
Sofranac, Rodo, Chairman, Arizona Job Training Coordinating Council, prepared statement of 414
Stearnes, Carolyn, Vice President for Employment Division, Senior Citizen Services, prepared statement of 653
Sweetheimer, Jim, English Teacher, Dauphin County Technical School, Harrisburg, PA, prepared statement of 17
Tershy, Russ, Director, Center for Employment Training, prepared statement of 249
Tetro, Charles, President, Training and Development Corporation, prepared statement of 353
This, Jim, Executive Vice President, Washington State Employees Credit Union, Olympia, WA, prepared statement of 61
Tuimavave, High Chief, Congress of Native American Samoan Chiefs, Huntington Beach, CA, prepared statement of 671
Vanderford, Roy, President, Indianapolis Network for Employment and Training, prepared statement of 546
Van Newkirk, Dr. Jack C., superintendent, York City Schools, York PA, prepared statement of 150
Walker, Gary, President, Public/Private Ventures, prepared statement of 313
Wang, Nora Chang, Commissioner, New York City Department of Employment, prepared statement of 297
Ward, Hon. Mike, a Representative in Congress from the State of Kentucky, prepared statement of 501

Page

Prepared statements, letters, supplemental materials, et cetera—Continued
- Weckstein, Paul, Co-Director, Center for Law & Education, Washington, DC, prepared statement of 193
- Wheeler, Kevin, Director, National Semiconductor University, prepared statement of 528
- Williams, Sharon, Director, Opportunities Industrialization Center West, prepared statement of 304
- Women Work! The National Network for Women's Employment, prepared statement of 210

HEARING ON TRAINING ISSUES

WEDNESDAY, MARCH 1, 1995

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON POSTSECONDARY EDUCATION, TRAINING, AND LIFE-LONG LEARNING, COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES, *Washington, DC.*

The subcommittee met, pursuant to call, at 9 a.m., Room 2175, Rayburn House Office Building, Hon. Buck McKeon, Chairman, presiding.

Members present: Representatives McKeon, Gunderson, Goodling, Petri, Williams, Roemer, and Green.

Also present: Representative Sawyer.

Staff present: Sally Lovejoy, senior Education policy advisor; Mary Gardner-Clagett, professional staff member; Richard Jerue, counsel; Dr. June L. Harris, Education coordinator; Doris Glenn, senior legislative policy advisor.

Chairman MCKEON. Good morning. I want to welcome all of you here today, especially our witnesses, in this the second series of hearings for the subcommittee that we're holding on establishing a streamlined top quality and efficient system of work force preparation.

Today's hearing and the one on Friday will focus on education and what the Federal role should be in changing education both at the secondary and postsecondary levels to meet the global economy demands of a high performance work place. This means the education of our students must change so that they are taught the problem solving and job skills necessary to obtain competitive employment.

Our first panel of witnesses today represents practitioners in the field that have been successful in designing educational programs that teach students the academic and vocational skills they will need to meet the needs of employers in their local communities.

Our second panel of witnesses represents students and employers who have benefited from innovative educational programs and have hired students that meet their employment demands.

These witnesses demonstrate that innovative approaches are working in pockets of this country and it will be our challenge to take what we learn from them today and design Federal legislation that gives local communities and schools the flexibility to implement these ideas without burdensome Federal requirements and numerous small categorical programs. We know that we must streamline these programs at the Federal level, eliminating duplication and fragmentation where it exists and transfer major decisionmaking authority to States and local communities. We also know that the private sector must play a vital role in the development of a system that will meet the requirements, but we still have many questions about what is working and what is not working. I hope our hearings today will shed some light as to what is working. I look forward to hearing from each of our witnesses today as we begin this process.

I'd like to welcome Mr. Williams and ask if you have a statement that you would like to make today.

Mr. WILLIAMS. I do. Thank you.

We're continuing, as the Chairman said, our review of educational preparation efforts at the Federal and to some degree State levels. Today is vocational education day in this committee. We have to consider what we're going to do with vocational education reauthorization, although I know the Chairman of the full committee, Mr. Goodling, doesn't like to call this a reauthorization project. He's reluctant to use that term. However, vocational education from the Federal standpoint expires and we have to determine whether or not to replace it or renew it or reauthorize it.

So, we have to look carefully at the existing programs, as we always have whenever we've gone through this part of the cycle, to determine whether or not they're accomplishing what was intended and if they are we continue them in one form or another. As with a number of programs, if the Congress decides they aren't appropriate for Federal application, we end them. Although I know many people don't think that Congress has ever ended programs, we ended 150 years alone and thousands in the last couple of decades.

So, we want to be very clear about what it is we want vocational education to accomplish. First I think that all of us—I think everybody in this room understands this, but all Americans should understand that vocational education is not job training. It's not, how did we use to refer to it, shop? It's not recess. It involves improving both the academic and the vocational competency of the American people. It's uplifting the academic and the occupational skills of the students. In that regard, it's probably more closely connected with the new school-to-work concept.

But it's very important as we move toward renewal or reauthorization that we understand that vocational education is intended and does do more than simply train a student for a job. In fact, as a former educator and one who's spent some time around vocational schools, I remember a number of vocational teachers saying, "Look, we train elephants. We educate people," and we ought to keep that in mind as we move to fix or renew vocational education.

Now, let me say specifically I have some concerns about combining vocational education and job training programs in a youth training block grant. The generic of my concern is what I just said about job training and vocational education. There are some important differences. So, we have to be very careful as we combine these two efforts.

When we consider combining vocational education and training activities into a single State block grant, we also have to remember the lesson of the last couple of Congresses. That is there are some very serious State governance issues which we need to understand. Giving money through a State block grant to governors to administer education programs can require State administrators to violate their own State constitutions. Now, that obviously would be a problem for all of us. On the one hand we can't say, "Well, we trust the State through the block grant approach, but we don't trust them when it comes to a way they have constitutionally decided to structure the way they administer their block grants." Some States have constitutional requirements on how they can administer such things as these new block grants that we're proposing for them.

We had this same discussion in the last Congress when we enacted the school-to-work bill. So, we ought to go back and pay significant attention. I wasn't, by the way, entirely satisfied with the disposition of that issue then and I think there's still some tension at the State level, I know there is, about how this bill is being implemented. In States like mine out in Montana we have elected State officials who are constitutionally charged with administering education programs and we have to be careful about adopting a block grant approach that violates or interferes with Montana's decision on governance.

So, we obviously, Mr. Chairman, want to tread with wisdom on this very sensitive area of State constitutions.

Finally, the current vocational education program has been used, I think, in the main used well to address some very serious fundamental equity issues. It seems to me that the Congress of the United States has been a very patient place waiting decades and sometimes a century for States to address the unique and special needs of some people, single parents, displaced homemakers, Native Americans. When the States, decade after decade after decade, reneged on the constitutional promise that is given to all Americans, the Federal Government moved in and created that nasty thing called set-asides so that we could have equity.

I personally think there are some set asides that are cumbersome. I personally believe there, in some programs, have become so many set asides that the corpus of the remaining program is not big enough to do the job it was intended to do. So, the Federal Government needs to look at that. The Federal Government also needs to understand that the States historically have reneged worse than any other level of government in this country on their responsibilities to level the field for their citizens.

So, as we redo vocational education, I'm not for throwing the equity baby out with the bath water.

Mr. Chairman, these are important hearings and I look forward to your leadership and particularly hearing from these and other witnesses this week and beyond.

Thank you.

Chairman MCKEON. Thank you.

We have our Chairman of the full committee, Mr. Goodling, here and he has members from his State that he would like to recognize at this time.

Chairman GOODLING. Mr. Chairman, I must go before the House Oversight Committee to determine whether we have any money to continue to operate this committee. So, I will merely introduce them and then leave for that purpose. Right across the river from my district, I'm happy to welcome Mr. John Polto and Mr. Jim Sweetheimer. Mr. Walker is across the river in one direction and

Mr. Gakis is across the river in another district and this is across the river in Mr. Gakis' district.

Then I also want to welcome Pam Neifert, Pam Green Neifert, who has a wonderful story that you'll enjoy hearing. She is now the chief honcho when it comes to writing Federal programs for the City of York.

So, I welcome all of you and I'm sorry that I'm going to miss your testimony. But as I said, if the committee is to operate, we have to justify our expenditures before another committee. So, I will be doing that this morning.

Welcome.

Chairman McKEON. Thank you, Mr. Chairman.

We also have a witness here today from Mr. Gunderson's State. Mr. Gunderson?

Mr. GUNDERSON. Well, first of all, I wish Mr. Goodling would hurry up and get over there and get us all the money he can.

But let me take this opportunity to formally welcome Mr. Bill Ihlenfeldt to our hearing and appreciate his agreeing to stay on after the community college meetings in town in order to participate with us today. He not only leads, I think, one of the best, not only State, but national centers for what postsecondary vocational education was always meant to be and I think is. I think as we deal and we struggle with this issue of secondary versus postsecondary vocational education and the issue of where training fits into the comprehensive issues of broad-based vocational technical education, I tell you I think he will make a great contribution. I'm glad you invited him and I'm even happier that he accepted.

Thank you.

Chairman McKEON. Thank you very much.

If we could begin our first panel then, Mr. Polto, Mr. Sweetheimer, Doctor Ihlenfeldt and Mr. Rosenstock from Massachusetts.

Sorry we don't have a Member here from your State, Mr. Rosenstock, but we're really happy to have you with us.

Now, we have your written testimonies and if you would like to summarize those, we will be on a time limit the way this system works down here, I was in a committee meeting yesterday and about half way through one of the witnesses—we didn't have three lights there, we just had green and red. He thought when the green light came on he was giving the right answer and when the red light came on he was giving the wrong answer. What that is is our time. So, when we get to the yellow light, you have about a minute left to wrap up. So, we will be following that.

First, Mr. Polto, please.

STATEMENT OF JOHN POLTO, VOCATIONAL ADMINISTRATIVE DIRECTOR, DAUPHIN COUNTY TECHNICAL SCHOOL, HARRISBURG, PENNSYLVANIA

Mr. POLTO. Good morning. I'm John Polto, Vocational Administrative Director of Dauphin County Technical School which is located just east of Harrisburg, Pennsylvania.

We are what's considered a full-time vocational school serving approximately 820 students. By full-time, I mean the students come to us full-time and take their total vocational and academic classes as one program.

We house grades 9 through 12 and while students are with us, as I said, they receive their full complement of course work, both vocational and academic. There's no artificial two track system, one vocational and one academic, but a total holistic approach in teaching a whole child rather than splitting the education up. Course work therefore becomes relevant and meaningful. Course work, be it academic or occupational, is presented in a related fashion much as we live. Life is made up of a variety of related relevant skills necessary at any one time. This is commonly referred to as integration of curriculum, a model that's gained worldwide attention and was pioneered at the Dauphin County technical school approximately 12 years ago.

We originally had been organized as any other high school, with academic departments and the vocational department. Approximately 12 years ago we realized that although the occupational skills of our students were very, very good, most of our students had jobs upon graduation. In fact, many had jobs prior to graduation and our employers were telling us how great the occupational skills were. I was a little concerned about the academic skills. The academic skills did not seem to be on par with the occupational skills.

That really created a problem for us in that students were coming into the program at a particular level, be it 8th grade, 9th grade, 10th grade academic level, and leaving at approximately the same level or a lower level of academic ability as measured by standardized tests.

Now, I don't for a minute believe that our students were losing academic ability, but I do know that our students had very little interest in academic course work. They came to the vocational school for the occupational skills, had been told or had thought that when they got to the vocational school and they were in carpentry or automotive technology or drafting or whatever the program, that was the end of reading, writing and arithmetic. How wrong they were. But it was very, very difficult to bring them around to our way of thinking while we in the building had a two track system in effect, because we had an academic program that was teaching pure academics and we had a vocational or occupational program teaching occupational skills. Occasionally there was some interrelation, but not very often.

We started then a reorganization or restructuring of our school. For want of a better word, we clustered. We grouped groups of vocational programs together using the DOTs. We used vocational programs that had something similar in nature and grouped them together. What we ended up doing was actually disbanding all the academic departments, pulling the academic teachers into the individual clusters and therefore had a meaningful relevant related curriculum so the students could understand the basis of their academic program along with their vocational program.

What I really wanted to mention to you today was your money was very, very important because it was a kick start to our program. In 1982, 1983, 1984, there was a three year grant, $40,000 each year for a total of $120,000. That was the extent of the Federal moneys used for this reorganization. Now, it's not that we haven't used Federal money, but Federal money since then has been used for teenage parent program, displaced homemakers, vocational aides.

I have a red light.

Chairman McKEON. During the questioning period you'll have a chance to expand even further on aspects of that program.

Mr. POLTO. Thank you.

[The prepared statement of Mr. Polto follows:]

John A. Polto
Vocational Administrative Director
Dauphin County Technical School
Harrisburg, Pennsylvania

7

Good Morning -

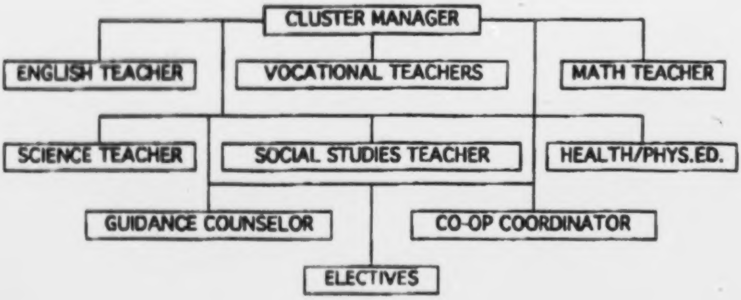
I am John Polto, Vocational Administrative Director of the Dauphin County Technical School, located just east of Harrisburg, Pennsylvania. We serve approximately 820 students from the six school districts that surround the city of Harrisburg as well as the needs of business and industry in Central Pennsylvania.

Dauphin County Technical School is a full time vocational high school, housing grades 9-12. Students come to us on a full time basis and only return to their home school for interscholastic sports, band, chorus, etc. Approximately 10-15% of our students take advantage of this option. While the students are with us, they receive their full compliment of coursework - both vocational and academic. There is no artificial two-track educational system, one vocational and the other academic - both parallel but never touching. We do not subscribe to teaching "half a child". We do subscribe to the "holistic" approach, a total educational program made up of both vocational and academic courses - all of which are integral to the students total education. Each course is important and dependent upon the others. Course work becomes relevant and meaningful. Course work, be it academic or occupational is presented in a related fashion much as we live! Life is made up of a variety of related, relevant skills necessary at any one time. This is commonly referred to as "integration of curriculum", a model that has gained world-wide attention and was pioneered at the Dauphin County Technical School approximately 12 years ago.

This is the 25th Anniversary for the Dauphin County Technical School and for the first 12 years it was organized and operated as a regular high school; i.e. academic departments, course work that was self contained - not only by curricular areas but by level, etc. In reviewing student success several things became obvious. First - the occupational level of our graduates was excellent. Many of our students had jobs prior to graduation. The demand for our students outweighed the supply in many of our occupational areas. Second, academic competence was another story. We found, through standardized testing, that our students were not growing. If a student entered into our 10th grade with an academic level of 9th grade, for example, upon graduation he or she tested at 9, 8 or even 7th grade ability. Now I don't, for a minute, believe that the students were losing their academic ability. What I think is that our students, as a whole, were totally turned off to academics. They did not see the importance of a subject that was so removed from their basic interest, so removed from their goals in life, that there was no effort on their part to try to understand, try to assimilate this theoretical thinking into their practical lives. We, at DCTS, thought that if we were able to make academic learning a little more like occupational learning, a little more practical, the students would see the relevance and spend the necessary time to master the academic skills.

To prepare for this, the organizational concept "of school" had to be changed. The vocational areas were grouped into "clusters" or groups of programs that had some similarity. An example would be the Construction Cluster made up of programs such as Carpentry, Electricity, Masonry, Plumbing, etc. This would allow for a broader base in occupational skills (those transferable skills that we hear so much about) but still allow for the career specific or occupational specific skills that our employers demand. Step two of this reorganization allowed for the inclusion of the academic teachers into this arrangement. If you would refer to the chart on the next page you will see a depiction of the restructured organization at the Dauphin County Technical School. This chart shows that in addition to the vocational programs in each cluster, we added a Language Arts (English) teacher, Math teacher, Social Studies teacher, Science teacher, Health/Physical Education teacher, Co-op Coordinator (School-to-Work Coordinator), and a Guidance Counselor. Where our staff size did not allow for one person per position (Guidance and Co-Op) we doubled up. This arrangement allowed for horizontal integration of the curriculum. In other words, the curriculum lines became "blurred" and occupational and academic competencies were presented in both "sides of the house". Another asset was the blurring of the curriculum lines between academic subjects. Language Arts teachers found that there was much in common with Social Studies, the Math teacher found much to integrate with Science, etc.

DAUPHIN COUNTY TECHNICAL SCHOOL
CLUSTER ORGANIZATION


CLUSTER MANAGER
ENGLISH TEACHER
VOCATIONAL TEACHERS
MATH TEACHER
SCIENCE TEACHER
SOCIAL STUDIES TEACHER
HEALTH/PHYS.ED.
GUIDANCE COUNSELOR
CO-OP COORDINATOR
ELECTIVES

TECHNICAL CLUSTER

*Electronic Technology
*Data Processing Technology
*Drafting & Design Technology
*Health Assistant
*Law Enforcement

SERVICE

*Child Care Attendant
*Cosmetology
*Food Service
*Marketing/Distributive Ed.
*Ornamental Horticulture

COMMUNICATION/TRANSPORTATION

*Auto Body Repair
*Auto Mechanics
*Commercial Art
*Graphic Arts
*Precision Metalworking

CONSTRUCTION

*Air Conditioning/Refrig.
*Building Construction
*Carpentry
*Electricity
*Masonry

Revised: 9/93

In fact, many units allowed for team teaching both in the academic and vocational classes. In order to make the coursework more understandable, we also began an extensive program of curriculum revision - rewriting so that the academic and vocational curricula was written in a competency based mode (hands-on, practical, relevant, related - not watered down!)

Using the same concept academically as we did vocationally, the academic teachers taught all grade levels within the same cluster. In other words, a student had the same English teacher for 10th, 11th and 12th grades. This provided for a continuity of curriculum. There did not have to be any artificial break in the material being presented. A student would be able to pick-up his or her work in September at the place where they left it the previous June. More importantly, the same teacher is able to build a rapport with the students and the students with the teacher. This has always been an advantage in vocational education and we have now included this benefit in our academic program. Because a course can now look ahead toward final learning outcomes or performances, this arrangement lends itself to "vertical integration", the relationship between one year to the next. This is now being referred to as a "seamless curriculum" in the educational field. More importantly, the program being offered to our students, at the present time, is a total program, a program made up of both academic and vocational courses. A program that is integrated, related, relevant and meaningful. Our students and our teachers can now answer that age old question that many of us asked in school - "Where will I ever use what you are teaching me today!"

This organizational concept also presents another great advantage. We have been bombarded with one initiative after another - all of which cost money. I am referring to the initiatives of curriculum integration, Tech Prep, Youth Apprenticeship, School to Work programs, etc. The way they have been implemented, they have required additional beaurocracies from the federal, state and local levels. With the concept as presented at the Dauphin County Technical School all of these separate programs are incorporated into each program. Our curriculum and our organization allows for all levels to be taught in the same classroom. In the heterogeneous grouping of the traditional vocational laboratory, all ability levels are accommodated as well as all grade levels. This is accomplished easily with the implementation of a competency based or performance based system. Why not use this same method or style of teaching in the academic areas. Not a very difficult solution, not an expensive solution, not an untested solution. All levels of ability can be challenged and all levels can be directed to the ultimate goal or outcome of entry-level employment, co-operative education and then employment, youth apprenticeship or pre-apprentice training and then employment, higher education (Tech-Prep) and then employment. These so-called individual initiatives do not need all of the separate offices, coordinators, programs, etc. All we have to do is make them available to each and everyone of our students in our present system. After all - when I went to high school I do not remember having to go through a "college prep coordinator", I talked to my Guidance Counselor and my teachers. Those positions still exist in all schools as far as I know.

The Dauphin County Technical School model allows for all of the above to operate within the cluster. School to Work should be the overriding emphasis. When you are dealing with a group of students in a cluster model, curriculum integration occurs every day. In addition, depending upon the career plans and ability level of the student, we can provide senior work experience (co-op), work-based learning that provides for industry mentoring and employment during the junior and senior years (Youth Apprenticeship), articulated programs with community colleges, technical schools and degree granting institutions (Tech Prep), etc. These opportunities exist in every program for every student. They are all part of "School to Work".

What does it cost to start up a program similar to ours and keep it running? Well to be honest, not a whole lot. At the beginning of our "experiment in progress" we applied for curriculum development grants through our state offices. They were in the amount of approximately $40,000.00 a year for three years - a total of $120,000.00! These funds helped us to begin the work in vocational competency based curriculum and then in the early stages of the integrated academic curriculum. They were primarily spent on stipends for teachers working out of class and for some, if any, materials that might be available at that time. That was during the 1983,84,85 school years. We have not used any federal or state grants, for this purpose, since then. What we did do was to divert existing program funding to the new initiatives. We redirected our local resources to continue the program that was allowed to start-up with federal funds. I thank you because you provided that "kick-start", that dreaming money that allowed us to implement a program that was just an idea in a few heads. Does this mean that we no longer need your money, that we no longer use federal funds? No, of course not! But we are using what federal funds that we get for the many social programs that you have mandated. We do run a day care facility for the children of our teenage parents so that they might continue their education. We do run a program for displaced homemakers, through a community based organization, that has been extremely helpful and successful. We have provided, with your funding, vocational and academic assistants that work with the special population students in our programs. These are services that are very important. These are services that are needed by our students, by our communities. As long as we are mandated to provide equal access for all students, there will be additional costs incurred because of the additional services needed. If funds for these programs were cut or eliminated, conscience would require that we continue them as best we could with local funds - at the demise of other programs in the building. We could not continue the innovative approach to education that we have spearheaded. Your funds are the visible funds, you are perceived as the prime mover in any new and innovative initiatives that might occur in education. Even though they represent only 8% of our total budget, they represent a visible, important 8%. What did it cost for our program? $120,000.00 over and above the standard budget. Could we have done this without you? Probably, but not in the six to eight years that it was accomplished. We would have still been floundering as many of our counterparts are, I'm afraid.

Were there any obstacles in our way as we developed this internationally recognized model? Very few that I am aware of. It would have been easier if some of the state regulations such as certification, hours and credits were not as rigidly enforced. I must say that for the most part, the staff of the Pennsylvania Bureau of Vocational and Technical Education was supportive. Although some were out and out skeptical, they still allowed us to continue our great experiment. Did they provide the technical assistance that we could have used? No! Probably because they really did not know much more than we did at that time. Now we are used as an example of what can be done. Are there obstacles for other schools to accomplish what we have done? I am sure that there are some, not many. One thing is important, however. For this model to be as effective as it is, the full-time vocational high school delivery system is a must. There are too many inherent problems in the part-time (half-time) vocational schools to expect them to take on a true integrated model as well.

In conclusion - did we accomplish all that we set out to do? Maybe not all. Our average test scores are in the 42nd percentile, up from the 25th percentile that they used to be. An improvement but not where we really want them. Are students growing academically? An emphatic YES! On standardized test scores we do see the type of growth that you would expect over a three year period. Are we finished, have we accomplished all that we are going to? No. We see this model as ever evolving. There are always new things to be done - after all - we always have new students and their needs are varied and many.

We did not have all of the answers to all of the questions when we started out in our experiment in progress. But, remember, if you want to be on the cutting edge, you will not have all of the answers. If you do, you are a follower!

I would like to invite you to join with us in the march toward a new image of vocational education, an integrated K through Graduate School career planning and development program, a new tomorrow in the education of our young people, a new approach to the education and re-education of our adults.

Thank you for this opportunity to speak to you this morning. I would like to extend to each and every one of you the invitation to come to Harrisburg, Pennsylvania and to visit Dauphin County Technical School

Chairman MCKEON. Mr. Sweetheimer?

STATEMENT OF JIM SWEETHEIMER, ENGLISH TEACHER, DAUPHIN COUNTY TECHNICAL SCHOOL, HARRISBURG, PENNSYLVANIA

Mr. SWEETHEIMER. I'm Jim Sweetheimer. I teach high school English. I've been at it long enough that I call it English instead of language arts or something else.

I was on the receiving end of this about 10 or 12 years ago. We've had visions come down from the mount before where new programs were started or new ideas were broached and then the teachers were to carry them out and to implement them. We weren't always firm believers from the start. I wasn't. Very distinctly I filed a grievance. I said simply, "I'm not convinced that what you have is a better plan for us. I'm not sure that it's going to help my students in any way and I really don't know exactly what you wanted me to do."

With the Perkins money, however, there was an inducement. My director sat down with us and explained the idea to us and said, "If you were willing to develop some integrated programs where you take vocational ideas, academic ideas, put the two skills together and are willing to work with that on your student's basis, we will give you some time to develop those programs." To a harried school teacher that puts in nine hours a day and can't get everything done, that was a godsend. We sat down and said, "Gosh, what do we want our students to do?"

One of the things that a Language Arts or an English teacher wants is good writers. To be very honest, my vocational students, my technical students did not like to write. In fact, if you would look at our building, which is organized where the academics are upstairs and the vocational or shop programs are downstairs, they were like water. They would drift off the second floor down to the shops every occasion that they got. I wanted that same time and attention in my room and just have not found a way to get it. So we came up with the idea with technical reports. The students would explain, describe, fully illustrate, task and evaluate a specific skill within their vocational area. They would do it on an extremely high level so they were teaching another person that had already established a skill base and knowledge base within that area.

What started out as a two week concept for writing turned into a nine week marking period. Students before who had written a single draft, turned it in, gotten a D or a C or an F and looked simply at the grade and expressed no further interest said, "I'm not happy with this. I want to revise it. I want to change it. I want to make it better. I don't write very well. The material is getting to the point through proofreading that it's excellent. Now I want to typeset it. I want to keypunch it. I want to put it on a computer so that when it comes off it looks as good as it reads."

Students before who had not spent more than an hour on a composition were redrafting, revising, editing, reading each other's, giving them helpful comments and suggestions and improving, all the skills that a Language Arts teacher wants to see, where they spend time and effort on something to improve it and in the response they improve their own writing skills as well.

When I saw this high quality effort, I saw the product that was coming out and the quality increases, I was extremely pleased. I knew that I wanted them to buy into English and love writing and speaking as much as I do, but for the traditional student in a vocational program, that wasn't happening. I saw that it was when I was paring my skills with the vocational skills or the technical skills that they were there for to begin with. So, we expanded from technical reports to speeches and we've now gone on to a very ambitious trial crime scene analysis where students from the law enforcement shops set up the scenario, they identify and place the physical evidence that's going to be found and we have students from a wide variety of different courses working together to cooperatively put together this scene which requires vocational skills, technical skills, writing skills, speech skills, critical thinking skills.

A byproduct of that was in a traditional academic situation teachers teach content. If I look at what I taught and I look at the way that I tested, I taught things, information, most of it recovered through multiple choice, short answer, et cetera. Now when I teach I teach skills. They're integrated, they're complex, they're demanding. My students have to be able to think, they have to be able to write and express themselves and they have to do it defensively so their arguments make sense. They have facts and data and information to back them up.

I've got to thank the committee that that money was available. To be very honest, if we didn't have some time to plan, some time to organize, some time to be innovative and most of all to share the ideas that work, we would not be as successful as we are now. In a school teacher's day, if they're conscientious, the whole day is consumed by what they have to do. To be innovative, to come up with new programs, new ideas to be more successful with students, you need some lead time, you need some leadership and you need the actual planning time to be able to implement and put them into place.

One last comment. We raise the standards across the board for all of our students. We are not bringing the level of the curriculum down to meet the students' previous level of interest, we're raising it in terms of expectations and in terms of what we think they can do, in terms of high skills and high expectations.

Thank you.

Chairman McKEON. Thank you very much.

[The prepared statement of Mr. Sweetheimer follows:]

To: The Committee on Economic and Educational Opportunities

From: Jim Sweetheimer English Teacher

Dauphin County Technical School Harrisburg PA

Date: March 1, 1995

Approximately ten years ago, the Director of the Dauphin County Technical School (Ronald Stammel) and the members of the Joint Operating Committee developed a long range plan to integrate academic and vocational competencies. The first year included a reorganization coordinated by the Assistant Director (John Polto). The focus of the change was to cluster related vocational/technical programs and academic instructors who would be empowered to develop and implement an integrated curriculum.

Unfortunately, faculty reaction was understandably predictable. They felt nothing would substantively change. Veteran teachers said "Don't worry, new methods and titles roll in on predictably regular five year cycles. You may have to change your descriptions, pay lip service to the new approach, but you will be able to continue to do what you have always done". We expected to make the same superficial changes (altering the titles of the courses or the content descriptions) that we had made during past educational waves, but we would continue to teach in the same methods and styles under which we had learned, had been teaching, and will retire, teaching.

Personally I was angry. I felt I was being asked to change without being convinced that integration and clustering was really a "better mouse trap". We were told that it was an improvement, but because the system was totally new, there was no place we could go to see it in practical application. Unconvinced, I filed a grievance. I energetically compiled data and applicable information into a vocal but unsuccessful attempt to derail the requirement to change.

Under Mr. Stammel and Mr. Polto's leadership, the basic components of the program came into focus and despite my initial reluctance, I began to experiment, and to see some benefits. Although I had worked very hard to make my courses challenging and worthwhile, my students did not always share my enthusiasm or consistently demonstrate their best effort and produce the high quality of work that I wanted to see. Students work harder and produce better quality work when they are working on assignments which have tangible results that they value.

My students were always interested in their vocational or technical areas where they were "doing something". The content or information they were learning was directly related to the skills they were seeking to master. Working in close cooperation with our vocational and technical instructors, we began to develop cooperative projects which mutually reinforced the interdisciplinary skills and knowledge we wanted our students to master.

As an enthusiastic reader and writer, I had always derived enjoyment from analyzing, revising, and improving my writing. My students, however were not so enthusiastic. They would often respond with "why are we reading this?, or where are we ever going to use this?" As we began to integrate, my students began to work harder for several reasons. In pre- vious writing assignments my students were often disinterested and unpro- ductive. Although I tried to pick high energy/high interest subjects and trendy topics, I often spent more time and energy laboring over their compositions and suggesting comments and revisions, than they did. I was dismayed to see many of my students simply look at the grade to see if it was "passing". If it was a "D" or better they were done.

The first cooperative vocational/academic project we tried was technical report writing. Each student selected a second year, or junior level skill for which they would develop a technical report which would explain and describe all of the technical and step by step skill information necessary to master that particular skill. It would be a stand alone unit which predicated on a previously level of understanding and skill ability, sequentially provided the information, skills, and illustrations to ensure that the reader would not only understand the information but would be able to develop the skills necessary to successfully complete the task at an appropriate quality level.

The technical report unit was initially designed to be a two week unit during which the student would write perhaps two rough drafts whose revisions would result in a final copy. The time on task and the quality of effort expended by our students surpassed anything I had ever seen before, particularly with my students of lesser writing ability and marginal motivation. Most students wrote at least three or four drafts, and many rewrote and revised their reports as many as five or six times. Students who in the past had been marginally productive began to display the proud and successful traits of ownership and pride that make teaching enjoyable. Their frequent requests for me to guide, suggest, and encourage their progress, were a welcome change from the nagging and cajoling which had been required in the past to ensure completion of previous writing assignments.

Students who had been passive in the past, meeting only minimums or bare requirements, demanded to be able to include illustrations, examples, charts, questions, and analysis. They also asked if they could type or word process the final copy so that the presentation or appearance would match the high quality of the content. Data processing students shared software programs for elaborate color coded pie charts and complex illustrations. Drafting and design students assisted in creating professionally neat and accurate blue prints. What I had anticipated as a two week unit grew into a very enjoyable and productive nine week marking period.

Several conclusions were obvious. Each student worked harder at writing, and produced better quality work than they had ever written before. They did this because they were writing in an area in which they had expertise that they could share with others and they could see a direct vocational correlation with the academic skills I was seeking to develop. The area I especially valued was the ambitious and sustained level of effort that was displayed. It was a refreshing change from the "what do I have to do to get by?" (how little is enough?) attitude I had seen in the past, to an ambitious attitude "I am going to give you my best effort because you have allowed me to teach you something I value and enjoy."

The successful technical report writing unit totally revolutionized the way I as an "academic" looked at the structure and delivery of my discipline. Although content is a portion of the equation, it is what you can do with the information and ideas you have obtained by which your effectiveness should be evaluated. Thus combining academic and vocational competencies into an integrated, skill based Language Arts program, will enable students to identify, select, and develop the communication skills, work habits, attitudes, and life long learning capabilities necessary for personal, social, and economic success as they relate to Language Arts.

Our leadership encouraged risk taking and creativity. Those who were willing to be innovative were provided with release time and stipends to develop and implement new projects and ideas. Teachers began to share more and more of our best teaching techniques and integration methods. We are also seeking to actively break down the artificial barriers between traditional academic disciplines. We are by no means finished. In fact it seems like the more progress we make, the further we know we have to go, and the more impatient we become.

The two skill units summarized below are representative of the way in which the skills are identified and how progress is evaluated by qualifying and quantifying the desired skill, attitude, and effort outcomes. The student's progress will be objectively assessed and documented using four discrete performance levels which describe specific and objective skill criteria. The student portfolio will also include representative samples of the students' work.

Verbal Skills

The student will ably communicate ideas, opinions, attitudes, and feelings effectively in a variety of informal and formal oral communication situations. These situations will include: classroom discussions, formal and informal speeches, debates, teacher/student discussions based on the books that the student selects and reads as part of their Free and Professional Reading Program, interviews, oral pre-writing discussions, and other communication situations. Each student will be able to proficiently utilize content preparation and appropriate verbal and non-verbal communication skills to inform and persuade different types of audiences effectively.

Entry level speakers are uncomfortable speaking in public. They do not speak well or often. They may speak in one to one, or in small group situations where they feel comfortable. They can express simple ideas and voice personal opinions. They usually feel uncomfortable talking to superiors or large groups. Their overall effectiveness is limited by their preparatory, organizational, and delivery inexperience.

Transition students display improved skills which allow them to prepare for and deliver increasingly effective oral presentations. They demonstrate an increasing quantity and quality of verbal skills. They analyze their audiences, organize, react to the audiences verbal and non-verbal feedback, and modify their content and delivery to clearly and efficiently communicate increasingly complex ideas and information to increasingly diverse audiences.

Satisfactory speakers are capable communicators in a variety of communication situations. They routinely prepare and deliver effective oral presentations to groups of all sizes. They efficiently alter their media and message to meet their speech purposes, and the needs and characteristics of their audiences.

Advanced students are expert practitioners of all phases of speech preparation and delivery. They capably and confidently meet the challenges in all types of speech situations. They are able speakers who capably speak to small and large audiences of diverse beliefs and attitudes. The have mastered the ability to effectively organize information and confidently persuade even resistant or obstinate audiences.

Work Habits

Each student will develop and display the necessary behaviors which will enable the student to work productively as an individual and cooperatively with other students of varying abilities, aptitudes, and interests. The student will demonstrate the ability to: display appropriate effort and work habits, follow directions effectively, ask questions effectively, select and learn new information, and apply critical thinking skills in order to utilize the new knowledge and skills they have obtained to benefit themselves and their employer. The student will be expected to develop and use available resources efficiently and assume responsibility for, and the consequences of, their own actions or inactions. In many respects this is the most important area of student development with life long consequences. Successful students will be able to use their strengths to develop enabling skills to compensate for weaknesses. They will become self motivated life long learners who possess the requisite attitudes and continued learning behaviors to enable them not only to enter the job field, but to improve their skills and knowledge in order to advance or change fields as their interests and changing labor needs demand.

Entry level students exhibit short attention spans and have difficulty focussing or concentrating. They require considerable supervision and do not consistently use their time effectively. They are frequently unprepared or do not bring the materials and equipment they need to be productive. Entry level students are frustrated easily and possess limited study skills which substantially diminishes the breadth of their understanding, and their ability to usefully apply new information. Entry level students seek to deflect accountability and often offer excuses to avoid accepting responsibility for the consequences of their actions or inactions.

Transition students demonstrate improved initiative and self motivation. They are able to work productively for longer periods of time without supervision. They are less easily frustrated and use several study techniques effectively to understand, organize, remember and apply new information. Students displaying increasingly able work habits exhibit increased desire and motivation. They frequently complete homework, study for tests and quizzes, and read for personal and professional gain outside of class.

Satisfactory students routinely assume responsibility for using their time management skills. Because they possess numerous effective study techniques, they require only occasional supervision and routinely work responsibly unsupervised. They work well and complete a solid amount of quality work. They exhibit poise and confidence and are not easily frustrated or daunted even when challenged by new learning situations.

Advanced students are extremely motivated students who display a positive attitude and consistently work up to their ability, thus producing a large quantity of high quality work. They give each and every activity their undivided attention, and work diligently to accomplish ambitious personal and professional goals. They effectively set priorities, practice time management skills, react favorably to and readily use constructive criticism to improve.

Skills will be sequenced or vertically layered. Basic or fundamental skills will be mastered first, and succeeding skills will become increasingly advanced or sophisticated. As students progress and add skills to their repertory, they will be expected to maintain and display continued competence with in all of the previously mastered competencies. Continued skill mastery with in each preceding skill level will be required for continued success in each subsequent skill level. For example, in the writing skills sequence, once mastered, all of the students cursive writing must be legible, then each sentence the student creates must make sense or clearly state the idea they are communicating, and so on. To achieve maximum results each student must expend sufficient personal effort on the highest possible ability level on which they can produce satisfactory skill gains.

Skill units will be holistically integrated such that critical thinking, reading comprehension, listening skills, speech skills, writing skills, etc., flow back and forth in a well designed, effectively sequenced series of units or projects, that require students to learn and produce under the same performance conditions that they will encounter on the job and in real life. Students should thoroughly understand the necessity of mastering the skill, the performances and standards by which the degree of their mastery will be measured, and the efficacy of the enabling activities. Students will be expected to display initiative when working on projects and demonstrations. The teacher and student will cooperatively design challenging assignments which will use multiple skills to creatively solve interesting problems and create worthwhile results.

To some extent, separating skills is arbitrary and artificial. It is almost impossible to perform only one skill at a time. Critical thinking (selecting and arranging ideas) and vocabulary skills (phrasing information and concepts effectively) are inseparable components when speaking, writing, or reading. However, reducing or isolating each of the individual components of the process into separate or distinct skills is important for several different reasons.

First, it allows more accurate assessment of the students progress. If what the student can already do is precisely described and documented, what they learn (the quality-how well they can do something and the quantity-how many times they have demonstrated mastery) can be more accurately measured. In other words, "what can they do now that they could not do before? (which is a combined result of my teaching and their effort). Consequently both student and teacher now become increasingly accountable for their time and effort.

Secondly, teachers are now more intensely focussed on what they are teaching, and how student success will be measured. Teachers can not simply define their responsibility in terms of the material they "cover" or present. Teachers are an integral part of the learning process, and share a mutual responsibility for the effectiveness with which their students learn. I must clearly communicate what I expect of my students before I can select the most efficient teaching methods and most productive learning activities.

In my experience most academic courses (in which I was a student, or the courses I first designed and taught), have been almost exclusively content oriented with little emphasis on integrating the information with usable skills. Understandably content (data or information) is necessary, but it is what you can do with what you know (or learn) that determines success or failure. Another possible reason that the vast majority of academic courses are lecture oriented, is habit. Lecture is the way most people were taught dating from the days when books and printed material were precious and expensive (only the teacher could afford them and thus orally shared the information).

A third reason that content or data is extensively taught and tested, is that it seems to be the easiest way to teach (although not the most effective way to learn). Although multiple choice tests may be easier and faster to correct, compositions or writing samples are far more accurate at measuring whole language ability, organizational skills, and a students total understanding. Thinking back, it was those courses and teachers who were able to focus my total attention and energy on valid total learning experiences from which I learned the most.

Fourth, it increases student performance. Students who actively participate in selecting worthwhile goals, and clearly understand what is expected of them, are increasingly likely to achieve the skills that they need to be successful. It obviates the "why are we learning this?" and "when are we ever going to use it?" (legitimate responses that are so frustrating for a teacher to hear). Students who clearly comprehend what is expected of them can master the desired outcomes more efficiently because they know exactly what is expected and how well they must achieve it.

Each student's progress will be measured using increasingly demanding performance standards or skill levels. Student progress will be evaluated and described initially when they enter the program, and periodically so that their progress can be documented by objective assessment, portfolio examples, and/or detailed descriptors which specifically and accurately denote the skill performances which have been observed.

The term "Entry", will describe the abilities the students currently display upon (or the competencies they have already achieved prior to) their entrance in the program. This will be the baseline from which their progress will be measured. These skills will be described as the highest level skills observed or documented in the first marking period the student is in the program). Evaluations or descriptors will be developed for each student for each of the skill areas.

"Transitional" will identify the improving performances that each student demonstrates as they continue to progress towards the Language Arts skills which will enable them to be personally and economically successful.

'Satisfactory' indicates that the students have demonstrated the necessary proficiencies to enable them to be gainfully employed. They have demonstrated consistent effort and desirable skills and performances. They not only understand the relevant principles but can actively interpret and apply them efficiently to achieve individual and professional goals.

'Advanced' indicates that the students have consistently displayed a high level of self motivation and productive work habits which have enabled them to maximize their achievements. They have and will continue to gain the skills necessary to increase not only their knowledge, but also their chance of economic success through further training such as an associate or other advanced degree.

The Dauphin County Technical School is committed to motivating students to assume the initiative to design and achieve their own goals (intrinsic versus extrinsic motivation). We recognize that students must assume the responsibility for learning the skills and attitudes necessary to 'learn how to learn'. Students must learn how to manipulate and skillfully use data in a variety of situations. However, it is the method, not the means, that is the end in itself. Students must learn how to obtain, sort, compare, manipulate, and utilize information to make viable decisions, not just memorize facts. Students must be able to speak, listen, and write effectively to succeed in a lifetime of learning.

As a teacher firmly committed to an ambitious, technically and academically integrated Language Arts program, my ultimate goal is to motivate, guide, inspire, encourage, or otherwise obtain the maximum amount of work at the highest quality level possible from each of my students. Although I want them to acquire the largest number of Language Arts skills in the shortest time possible, I recognize that all student possess different learning capacities and functional Language English Arts skills or abilities. I will seek to encourage them to develop the solid work habits and desirable attitudes which will enable each of them to succeed. I will use my abilities to enable students with a wide range of learning aptitudes, and diversity of backgrounds, to function at the highest respective level that each is capable of attaining, recognizing that their strengths and weaknesses must dictate the expected competency level for each assignment. I will seek to clearly communicate my expectations to each student, provide a range of stimulating enabling activities, and frequently provide positive reinforcement.

Note that this approach transfers a substantial degree of accountability to the students and parents who are the most responsible for the ultimate success of the number and the depth or degree of skill gains made. It also directly and observably correlates work habits (enabling behaviors) with academic performance and appropriate grades and recognition. Substantive productive effort is the key to developing each students abilities into the skills necessary to be successful both personally and professionally.

I want all students to become self motivated and achieve at the highest level of academic and personal production that they can achieve. I want to develop students who can think for themselves and know how to express themselves effectively in speaking and in writing. Beyond the development and application of the necessary reading, spelling or composition skills, I want to see the students achieve what their talents and abilities are capable of producing when stimulated by internal motivation and sustained by personally tailored work habits and potent individualized learning techniques.

Chairman McKEON. Doctor Ihlenfeldt?

STATEMENT OF DOCTOR WILLIAM IHLENFELDT, PRESIDENT, CHIPPEWA VALLEY TECHNICAL COLLEGE, EAU CLAIRE, WISCONSIN

Doctor IHLENFELDT. Chairman McKeon, committee Members, especially Representative Gunderson, good morning.

I'm Bill Ihlenfeldt, President of Chippewa Valley Technical College in Eau Claire, Wisconsin. The Chippewa Valley Technical College serves an 11 county area in western Wisconsin and is one of 16 technical colleges that comprise the Wisconsin Technical College System. Each technical college is governed by a local district board as well as the Technical College System's State board.

The mission of the system is to provide occupational education that leads to skilled careers. My college, for example, offers 55 diploma and degree programs ranging from automated manufacturing to diagnostic medical sonography. As part of our mission, we also provide customized training and assistance to business and industries in order to boost economic development. My college, for example, trained approximately 4,500 workers last year through contracts with industries. That education took place at the industry sites with content tailored to specific industry needs and taught by skilled college faculty.

The Department of Education study concerning attitudes of employers towards education indicated that educators and employers don't always talk the same language. This is not the case with technical and community colleges. I'm here to tell you that Wisconsin technical colleges pride themselves in being flexible, success oriented and providing curricula which is designed by and for the industries of Wisconsin.

Last December, Wisconsin Manufacturers in Commerce, the State's largest business association, released a survey showing that Wisconsin companies rely more for training on Wisconsin's technical colleges than any other outside source. In our own survey, employers indicated that 86 percent of technical college graduates met or exceeded their expectations not only in terms of their ability to apply occupational knowledge to specific work tasks, but also for their people skills and their on-the-job attitudes. I challenge you to ask our graduates. We do. In our last survey, 92 percent of the graduates were in the labor force just six months after graduation and 74 percent had jobs that were directly related to their training. This all comes as a result of a close working relationship with our communities, our customers, the students, the K–12 system and particularly the businesses of our State.

I'd like to say a word about lifelong learning. More than half of our technical college students enrolled in occupational programs are over 26 years old. Thirty percent of them have already had some college. We provide continuous, flexible access to skills development for people who are supporting families. Under the school-to-work umbrella, we also articulate with K–12 schools on technical prep and youth apprenticeship. Chippewa Valley currently has 150 articulated technical preparation agreements with 30 K–12 districts in our area. We also are the principal providers of classroom training for clients of second chance programs like JTPA and

JOBS. Simply put, Wisconsin already has a statewide system of one stop training and education centers in its technical colleges.

The Carl Perkins Act provides $22.1 million to Wisconsin for the current academic year. Fifty-five percent of that goes to support the activities of the Wisconsin Technical College System, a sign of how important our technical colleges and community colleges are in work force development. The Perkins Act emphasizes services to special populations and this commitment to underserved individuals has been timely. Perkins funded services reach one out of every two students who are economically disadvantaged at our college.

For the 21st century, I would recommend a vocational and technical education block grant that would consolidate the existing array of vocational and educational programs. It should continue to deliver Federal support straight to our one stop training system of technical colleges. It might be beneficial to sort out the resources devoted to actual training and classroom instruction from the economic and social support services that programs like JOBS and JTPA provide for a separate grant.

Let me elaborate why this approach makes sense. One, it puts the resources directly in the hands of the providers who can deliver the goods, providing they are accountable.

Two, the role of the technical and community colleges in work force development is to prepare people for careers and citizenship, not just jobs.

Thirdly, the technical and community colleges can show accountability through the integration of academics and occupational training, useable performance standards, participation in national skills standards, improved outcomes for diverse populations, strong articulation with secondary schools and proof that programs address the needs of employers. I and my colleagues look forward to working with you.

Chairman McKEON. Thank you very much.

[The prepared statement of Doctor Ihlenfeldt follows:]

Testimony of
William A. Ihlenfeldt, President
Chippewa Valley Technical College District
Eau Claire, Wisconsin

before the

House Committee on Economic and Educational Opportunity
Subcommittee on Postsecondary Education, Training, and Lifelong Learning

March 1, 1995

Good morning. I am William Ihlenfeldt, President of the Chippewa Valley Technical College in Eau Claire, Wisconsin. The Chippewa Valley Technical College serves an 11-county area in western Wisconsin and is one of 16 technical college districts that comprise the Wisconsin Technical College System. Each technical college district is jointly governed by a district board and the technical college system's State Board.

The mission of the technical college system is to provide occupational education that leads to skilled careers. Chippewa Valley Technical College offers 55 associate degree and vocational diploma programs including accounting, automated manufacturing technology, computer programming, dental hygiene, electronics, diagnostic medical sonography, and retail management to name a few. In total, the statewide technical college system offers 162 associate degree programs and 112 one-year or two-year vocational diploma programs.

As part of our mission we also provide customized training and technical assistance to business and industry in order to boost economic development in the state. My College trained approximately 4,500 workers last year through contracts with area businesses and industries. That training took place at the industry sites with content tailored to specific industry needs and taught by skilled College faculty. The training many times took place around the clock and seven days a week to meet the schedules of employees.

Like many of you, I read with great interest the Department of Education's study concerning attitudes of employers toward schools, colleges and students. It indicated that educators and employers don't talk the same language. It indicated that a lot of employers have no contact with the schools, and that what a student did in an educational institution had very little relevance to employers who are making hiring decisions. And, it said that in training their own employees, employers were far more likely to turn to equipment suppliers or private consultants than educational institutions.

While this study points out important areas of concern with education, this is not the case with technical and community colleges. I am here to tell you that Chippewa Valley Technical College and Wisconsin Technical Colleges pride themselves in being flexible, having a success orientation, and providing curricula which is designed by and for the industries of Wisconsin.

Last December, Wisconsin Manufacturers and Commerce, the state's largest business association, released a survey showing that Wisconsin companies rely for training more on the technical colleges than any other outside source. Also, 65 percent of the businesses responding to the survey expressed approval of the extent to which technical colleges prepared students for real life. This compared with a 28 percent rating for K-12 and a 49 percent rating for the state's university system on the same question.

The Technical College System's own survey of employer satisfaction, conducted a year ago, indicated that 86 percent of technical college graduates met or exceeded their expectations in terms of ability to apply appropriate occupational knowladge to specific work tasks. Twelve percent of graduates nearly met employer expectations, and only two percent did not meet expectations. Our graduates received similarly high marks for their people skills and their on-the-job attitude.

We also ask our graduates what they think of the education we provide. In our last survey, 96 percent of technical college graduates said they were satisfied or very satisfied with the training they had received. Ninety-two percent of the graduates who were in the labor force had found employment (this was just six months after their graduation), and 74 percent had jobs that were directly related to their training. This all comes as a result of a close working relationship with our communities, our customers (students), the K-12 system, and particularly, the businesses of our state. At Chippewa Valley Technical College, we have active advisory committees for each program we offer. These advisory committees are composed of people who work in that occupational area.

On top of that, we also guarantee our occupational training. This sends a signal to employers and students that we stand behind what we do.

I'd like to say a word about "life-long learning," which has become a popular, if not well-defined, term these days. More than half of our technical college students enrolled in occupational programs are over 26 years old. Thirty percent of our students have already had some college. We provide continuous, flexible (time and location) access to skills development for individuals who are supporting families. Under the School-to-Work umbrella, we also articulate with K-12 schools and businesses on Tech Prep and Youth Apprenticeship programs. Chippewa Valley Technical College currently has 150 articulated curriculum agreements with 30 K-12 districts. And we are the principal providers of classroom training for clients of second-chance programs like JTPA and JOBS.

Simply put, we stand for life-long learning in Wisconsin. In the technical colleges, Wisconsin already has a statewide system of One-Stop training and education centers.

Through the Carl Perkins Act, the federal government has been a partner to our efforts to provide real-world, life-long learning to our citizens. Perkins is providing $22.1 million to Wisconsin for the current academic year. Fifty-five percent of this goes to support the activities of the Wisconsin Technical College System, a sign of how important our technical colleges are in work force development.

The Perkins Act emphasizes services to "special populations," and this commitment to under served individuals has been timely. Wisconsin's economy is strong, and state employers repeatedly say they are facing a skilled labor shortage. Because of this, there is both an opportunity and an urgency to prepare individuals for skilled occupations who till now have had marginal participation in such fields. Perkins support has been instrumental in getting these individuals into technical college programs and helping them

succeed in those programs. In fact, to illustrate how meaningful Perkins support is, at the Chippewa Valley Technical College, Perkins-funded services reaches one out of every two students who are academically or economically disadvantaged.

If you were to ask me what manner of federal support for occupational education I think would work best, I would suggest something along the lines of Representative Goodling's bill from last year. That bill proposed a Vocational and Technical Education block grant that would consolidate the existing array of vocational education programs. It would continue to deliver federal support straight to our One-Stop training system of technical colleges.

In fact, it might be beneficial to go through what I call the "front-door" programs, like JTPA, JOBS and Food Stamps Employment and Training, and sort out the resources devoted to actual training and classroom instruction from the economic and social support services these programs also provide. That way, all education and training funds could be concentrated in one block grant and the confusing array of front-end economic and social support services could be consolidated in another.

Let me elaborate on why this approach makes sense:

1. I believe one principal of putting federal investments to work efficiently and effectively is to put the resources as directly as possible in the hands of the providers who are delivering the goods, as long as those providers can be held accountable.

2. Recent national polls show that the American public continues to strongly support education. Unlike many job training programs that have narrowly targeted client groups, the role of technical and community colleges in work force development is to prepare people for careers and citizenship, not just jobs. I think this mission deserves some special attention from Congress and the federal government.

3. Vocational education and educational institutions need to continue to improve -- to focus on results and be responsive to individuals and employers. Congress can best insure continuing improvement by striking a clear bargain with States: Specific but flexible support for the educational mission, and in return -- specific results.

What kinds of results should the technical and community colleges be asked to show?

- Real integration of academics and occupational training
- Usable performance measures and standards that show how well educational programs work
- Participation in establishing skill standards, and conforming occupational programs to those standards
- Improved outcomes for all types of students
- Strong articulation with secondary schools, to better prepare students for the 65 percent of new jobs that by the year 2000 will require postsecondary education
- Proof that our programs address real needs of employers.

At the State and local levels, we need more flexibility to design our approach to meeting these challenges than Perkins now gives us. And we need less red tape than Perkins imposes on us. But I believe that Congress should continue to be a visible partner with a clear and distinct voice in educational improvement.

I and my colleagues in the Wisconsin Technical College System would be pleased to work with you in developing objectives and expectations for federal support of job training and occupational education and devising an effective way of directing federal resources where they will do the most good. I thank you for giving me the opportunity to make these comments to you.

Chairman McKEON. Doctor Rosenstock?

STATEMENT OF DOCTOR LAWRENCE ROSENSTOCK, EXECUTIVE DIRECTOR, RINDGE SCHOOL OF TECHNICAL ARTS, CAMBRIDGE, MASSACHUSETTS

Doctor ROSENSTOCK. Good morning. My name is Larry Rosenstock. I am the Director of the Rindge School of Technical Arts which was opened in 1888. It's the second oldest public vocational high school in the United States. It was opened for young men of average talents and strong physiques. If you were to come into my school in 1988, you would have found pretty much the same thing you would have found in 1888, stark segregation of academic from vocational education, narrow skill training for specific occupations and social class sorting.

If you were to come today, you would find a full-time loaned employee from Polaroid working in our 9th grade program with our technical teachers. You would find our students building physics equipment in collaboration with MIT in which they learned physics in the process and have shipped 3,600 units to 400 schools throughout this country, this in a country in which only 3 percent of American high school students take physics. You would see a student-run restaurant. You would see a student-run full service bank. You would find students working at Harvard Facilities Management, in the three major hospitals, in the biotech industry and in other institutions within our community.

Of those students in school to work programs in Cambridge, 85 percent have entered postsecondary institutions in the last four years. That's coming out of a 53 percent postsecondary entering cohort before these changes. These changes were triggered since 1990 because of the Perkins legislation. It's ironic that the State of Massachusetts where vocational education began in 1888, handcuffed most of what we were trying to do. There are a plethora of arcane regulations within our State and the Perkins Act frankly helped us cut through many of them, in particular the requirements of integrating vocational and academics and the movement towards all aspects of the industry instruction as an antidote to narrow skill training for specific occupations.

What we now know from cognitive science and as well as numerous surveys of employers tell us that these are the types of things we need to develop our students to be able to do. They need strong literacy skills, strong numeracy skills, strong communication and technical literacy skills. I fear that a block grant movement would tend to diminish this effort because this very important content of the role of work in one's life and the role of work in society is otherwise absent from the high school curriculum. Vocational education is clearly a stepchild within the academic community and yet ironically when you look at cognitive science and you look at the way people learn, we now find that those methods are precisely the ones that you find in vocational milieu. That's where you find experiential and applied learning, expeditionary learning, team teaching, group learning, performance assessment.

I would also be concerned that a merger with employment and training dollars would make education dollars look more like training dollars and for the same reason that Representative Williams said. If we look at training programs, part of their shortcomings have been that you don't spend enough time with a student. You don't have long-term career counseling. You don't have an opportunity to develop sound academic skills. That's part of the failure of second chance institutions and that's precisely why we need first change institutions as a place to try to develop those things. I would be concerned that out of the governor's office we would have those dollars leaving high schools. The Federal dollars are not very significant dollars actually, but they do stimulate a lot of change.

For me, it seems that one of the things that I've learned, of the many things that I've learned from my corporate partners is that they have research and development capacity. There's a lot wrong with American high schools today and part of the problem is that we don't have a research and development capacity. The Federal Government, in my opinion, with relatively short amounts of money, helps to stimulate precisely that type of research and development through national demonstration programs, the national diffusion network and the like.

My last point is that I've had the opportunity in the last year to be invited to two meetings of 27 countries that were discussing vocational education reform. At one I sat between Taiwan and Switzerland. At another I sat between Korea and Great Britain. All developed countries at this meeting have Federal vocational education policies, have a Federal vocational education presence. It seems unthinkable to me in a smaller world as we enter a global economy that our country might not.

Thank you.

Chairman McKEON. Thank you very much.

[The prepared statement of Doctor Rosenstock follows:]

LARRY ROSENSTOCK
EXECUTIVE DIRECTOR
RINDGE SCHOOL OF TECHNICAL ARTS
CAMBRIDGE, MASSACHUSETTS

1. Preparation of students for high performance work requires the integration of vocational and academic education, and the integration of school-based and work-based learning. Neither can be achieved or sustained without substantial school change.

a. We cannot adequately prepare students for high-performance work organizations unless we transform schools into such organizations. We must move from the typical factory-like scale to smaller, more flexible units with greater autonomy, diversification of staff roles, flatter organizational chart, substantial resources for staff development, and a project-based curriculum.

b. Carnegie-unit, time-based secondary exit (and post-secondary entrance) requirements maintain a subject-status hierarchy which inevitably relegates vocational education, school to work, etc. to second class status. Integrated learning (within school through Perkins, and connected to work-based learning through school to work) must be imbedded in exit/entrance requirements.

2. Vocational and academic integration must be deepened.

a. Integration employs the best of each (vocational methods and academic content) to restructure and detrack high schools. Without vocational education, the role of work in one's life and in society would be silent within the high school curriculum.

b. Staff development (and new teacher training) should cultivate technical and academic proficiency for all teachers (whether formerly vocational or academic).

c. Standard-setting by discipline risks working against cross-disciplinary integration.

3. Industry-based teaching and learning must be pursued as an antidote to narrow-skill training for specific occupations.

a. Low rates of employment related to high school occupationally-specific training, and increasing rates of labor market churning, indicate substantially reduced utility of narrow, technical skills.

b. Broad, industry-based learning is more transferable (portable) to multiple work environments.

c. School-based enterprises (currently in 22% of high schools) are a more effective platform for "all aspects of the industry" instruction than a typical shop (with decontextualized, technical skill training).

4. Vocational education should be seen as an education - rather than a training - program.

a. Industry wants graduates who are educated, not trained (industry can train, if graduates have literacy, numeracy, communication skills).

b. "Second chance" employment training programs typically fail because they lack the longer-term exposure to academics and counselling of "first chance" programs.

c. 3a (above), and lower wage and job placement rates of vocational graduates (compared to their academic counterparts), indict vocational education as a training program. Cognitive research (Berryman, Gardner) affirms the strength of prominent vocational pedagogy (e.g. master-apprentice, experiential, applied, expeditionary, multiple intelligences addressed, team taught, cooperatively learned, performance assessed). [The strength of vocational pedagogy is under-appreciated - even by vocational educators, especially when they focus on entry-level job outcomes.]

d. No programs for the "non-college bound." Vocational education and school to work are not a path to a different place, but a different way to learn the same things that all students need to learn. We cannot predict who is going on to further education, and when we do we institutionalize self-fulfilling prophecies (by income level) of certain students' supposed limited potential [note strikingly high college-going rates of school to work graduates].

5. New teacher training and certification must be reexamined to take advantage of the large, upcoming turnover of the teacher work force.

a. Teacher education and certification tend to remodel what went before, and don't benefit from recent cognitive research about understanding.

b. Master-apprentice pedagogy (which predates schools, is universal, and effective) is missing from most school of education curricula and teacher certification requirements. Also missing are elements relating to teachers' collaborating with "outsiders" (community partners), and to cross-disciplinary teaching and assessment.

6. One of the reasons schools don't work is that, unlike industry, they have little or no research and development capacity.

a. Practitioners need exemplars who can demonstrate effective teaching and learning. It is of critical significance that new methods and programs, "on the ground", be developed and shared. For relatively little money, the federal government has played a pivotal role in supporting significant innovation in education.

b. Competing interests at the state and local level, and institutional pressures towards stasis, make locally funded research and development very difficult and rare.

c. The federal government has a crucial role, not in telling states and locals "what to do", but in raising expectations so as to further our national interest in having a well-educated citizenry.

7. Every nation, within the new global economy, is under irresistible pressure to increase the learning levels of all of its people.

a. It makes sense politically and socially, and it is critical economically, that nations develop the technical literacy of their people.

b. In all developed nations and most underdeveloped nations, the federal government is understood to be an essential force for leading the coherent advance of teaching and learning.

BEST COPY AVAILABLE

Chairman McKEON. Mr. Williams?

Mr. WILLIAMS. Mr. Polto, in what I think you referred to in your testimony as a seamless curriculum——

Mr. POLTO. Yes.

Mr. WILLIAMS. [continuing] it would seem to me as a teacher and educator, which is what I actually am, hanging around here on leave of absence, that you required a lot of flexibility in the use of funds in order to achieve the cluster concept, the seamless curriculum. Did you find that the Federal dollars improved, enhanced the flexibility or denigrated your ability to be flexible?

Mr. POLTO. Well, back in 1982, 1983 and 1984, the Federal dollars were extremely important because, as I was saying at the conclusion of my comments, we received a three year grant of $40,000 each year or $120,000 for curriculum development. The first year we spend that money working with teachers in the vocational areas to develop their competency based occupational curriculum. The second and third year we spent that money with academic teachers and it was one of the first times I had ever been aware that vocational funds were used to improve or rewrite academic curriculum. But it was being rewritten in an integrated fashion in cooperation with the vocational teachers. Money was extremely important. After the three years, that was the end of the funding. We continued the program and have continued the program strictly with local funds, but that was only possible because other Federal funds that are available to us picked up a majority of the cost of some of the mandates we have as far as serving special need students, as far as the displaced homemaker working with community based organizations.

Mr. WILLIAMS. Let me ask you about that. Are those mandates too strict, too compartmentalized and lacking in flexibility?

Mr. POLTO. Yes. I really honestly believe if you have a good administrative staff, good leadership, you're not going to—like a lot of people think, you're not going to let those programs drop by the wayside just because they're not itemized or set aside because we believe in working with kids.

Mr. WILLIAMS. I'm interrupting only because like you I'm limited on time as well.

Mr. POLTO. Oh, I see.

Mr. WILLIAMS. That's how it ought to be.

Doctor Ihlenfeldt, toward the end of your testimony you mentioned, I believe, six results that schools should have to demonstrate. As I listened to you, it seemed to me that they were six goals not easily reached but probably necessary for schools to demonstrate. They had to do primarily, I think, with outcomes and standards.

Doctor IHLENFELDT. That's correct.

Mr. WILLIAMS. Would you suggest that the State government be the tracker of each school to be sure that they are meeting those outcomes and standards, or would you keep that tracking process with the Federal Government under a block grant proposal?

Doctor IHLENFELDT. I think the block grant could have some specificity up front that would tell us where we need to target our resources.

Mr. **WILLIAMS**. But if it was those six outcomes, how would you track—who would you report to?

Doctor **IHLENFELDT**. The State. In Wisconsin we have a State board of the technical college system and I would suggest that the State board be the tracking agency and be responsible for that.

Mr. **WILLIAMS**. Now, tell me what is inherent—I tend to think you're right, but to be truthful with you, I don't know why. What's inherently better about you reporting to your capital than this capital, particularly if the money is Federal money and the Federal taxpayer has a result to have you report to him or her?

Doctor **IHLENFELDT**. I think it's basically a factor that the systems are in place in a State like Wisconsin for that to occur more easily than they are with the Federal Government, which is again one step removed. I think the State agency could then provide the composite report to the Federal Government to——

Mr. **WILLIAMS**. Yes. I'm not sure in this day of communication the one step removed thing is very important anymore. I'm one second removed from Montana on the fax.

Mr. Rosenstock, in the 45 seconds I might have here, you mentioned something I didn't quite catch, which was the fact that, if I understood you right, that the State gets in the way of your flexibility. Did I hear that correctly?

Doctor **ROSENSTOCK**. Yes, it does.

Mr. **WILLIAMS**. How, if I may ask for 30 seconds for the gentleman to respond.

Doctor **ROSENSTOCK**. I'll take the 30 seconds to give you an example. In order to get certified to teach carpentry in Massachusetts, I needed three things, a high school diploma, six years as a carpenter and a course called History and Philosophy of Occupational Education, which I remember almost nothing of. I have a BA, an MED and a JD and I had lost my copy of my high school diploma. I could not get certified until I got a duplicate of it. There are many other requirements like that that basically make no sense. That one was not injurious to my getting certified obviously, but there's a 50 percent rule that any student who is in vocational education has to be in there at least 50 percent of their time. That is ridiculous. There is not skill training for specific occupations requirements where while only 27 percent of high school students in this country who major in a specific occupation ever enter a related field for even a single day.

Mr. **WILLIAMS**. Thank you.

Mr. Chairman, let me just say parenthetically, as I become and have been for a long time increasingly enamored with this idea of block grants, if it's done correctly, I've been going back to Montana and checking their regulations versus ours. Let me just give you one example.

The State's vocational rehabilitation regulations in Montana are about an inch and a half thick. The Federal regulations are three pages. Let's not marry this notion that States can't be bureaucratic and load up with regulations because they do and are and will.

Thank you.

Chairman **MCKEON**. I totally agree with you and I'm hopeful as we go through this process that what we end up doing is get closer to the local level. As I've mentioned before many times, I served on a school board for nine years. I served on a city council. We had every bit as much problem, if not more so, with Sacramento than we did with Washington. I don't think the State governments are a panacea. I think it's kind of government in general. I know we did things on the city council that I wish we hadn't done making it harder for people to get building permits and so forth.

So, I think what I would really like to see, I'm not an anarchist and think that we should totally eliminate government, but some of these ridiculous things we need to get rid of. I know the Speaker has come up with an idea of corrections day where we have one day a month where we try to find these stupid things that government has done. I mentioned it yesterday to a group and they liked the idea. In fact, the suggestion was maybe the corrections day should be four days a week and we just keep one day left to do stupid things.

But I think the States should do the same thing and I think county governments should do the same thing and I think city governments should do the same thing to get rid of things that are burdensome on people that we just don't need and I think we've gotten past. We have a pretty educated society. A lot of people are very capable of running programs without oversight from Washington or State levels.

Mr. Gunderson?

Mr. GUNDERSON. Thank you, Mr. Chairman.

I can't help but comment half facetiously, Mr. Rosenstock, that you want to be careful how much you use teacher certification as an example of a problem or you will no longer be the minority witness because they kind of like teacher certification. We tried to change teacher certification. I liked your answer. I don't know if my colleagues on the Democratic side liked it as much as I did. I'm just saying that as a joke.

Chairman MCKEON. Mr. Gunderson, we made a mistake. It's Doctor Rosenstock.

Doctor ROSENSTOCK. No problem.

Chairman MCKEON. We'll just use Doctor that's, I don't think, medical.

Mr. GUNDERSON. He is now certified as a doctor by the committee.

Doctor ROSENSTOCK. That was easy, wasn't it?

Mr. GUNDERSON. That was easy. This is a new era.

I hope your technical connection does not come out of my time, Mr. Chairman. Just kidding.

My concern about vocational education is it runs the risk of dying on the Federal vine. As you look at school to work, which is clearly a program which is expanding, which I think has a great amount of support in both political parties, as you look at Tech Prep before that and as you look at this concept of lifelong learning, training and retraining, the biggest reason I think we probably need to look at programmatic change is, very frankly, the question of whether or not there will continue to be a Federal commitment. In deficit reduction, we've seen vocational education funds at the Federal level static, I think, the whole time I've been here for all practical purposes. So, I think we've got to ask what kind of a delivery system at the Federal level will earn sufficient support in terms of the appropriation process to make it real.

Now, having said that, my question for all of you gets back to what Mr. Williams was asking and what you, Doctor Ihlenfeldt, referred to in your testimony. The biggest problem we have with the Job Training Partnership Act is easily identifiable performance standards. The GAO has criticized it because you can't articulate Massachusetts versus Pennsylvania versus Wisconsin.

What ought we be doing in terms of a Federal block grant, if there is such a thing, that includes all these programs in articulating performance standards?

Anybody can comment that would like.

Doctor IHLENFELDT. I guess I would suggest that up front you identify exactly the target of the dollars that are coming down and then ask us to provide you with performance data on the back side that will allow us to prove to the Federal Government that in fact we have met those needs in the six areas that I outlined. I think the more work you do up front in terms of defining expectations of that particular block grant the more definitive we can be in terms of performance standards on the back side. If that is not done, we will not be able to ensure the accountability. But I think working together we can come up with that type of information for you.

Doctor ROSENSTOCK. I would say that what those—I agree with that and I think that what the standards need to really approach is in particular this question of integration of academic and vocational education, which is to me really seminal. I think that there are ways that we can measure, as the National Assessment of Vocational Education just has, the extent to which this is beginning to take place. I also think that all aspects of the industry instruction which my corporate partners are very impressed with in particular should be embedded within some of those performance standards.

Mr. GUNDERSON. In my remaining time, both of you have talked about integration of academics and occupation. I understand that in a youth training block grant.

Doctor ROSENSTOCK. Yes.

Mr. GUNDERSON. Do you also articulate that in an adult retraining block grant? That's going to take a ton more money than our training programs focus on today.

Doctor IHLENFELDT. I think in Wisconsin especially we're accustomed to doing that. We realize that manufacturers are looking for people who not only have the occupational skills but also have the right attitude on the job. Everything that we do, whether it's retraining for business and industry or our full-time programs, already has that type of integration in place of academics with occupational skills. We have a 15 credit general education core, for example, that's part of all of our programs.

Doctor ROSENSTOCK. Yes. I'd just basically concur. Everything that I've heard from industry and all surveys indicate that they really want their future employees to be educated and the training, in a sense, the narrow skill training can happen once they get there. But they can't work with a population that doesn't have sound academic skills. So, the question is whether those employment and training programs can introduce them to industries and technology in the context of academic learning. That's, I think, consistent with what we're trying to do at the secondary level.

Mr. POLTO. If I may, it's important to keep in mind that training programs as training programs have failed dismally. To have them operate, to have them be successful, they must be education programs. You have to tie education in with occupational training and academic integration with vocational integration combined is extremely important. Otherwise you're losing things and that's why JTPA and CEDA and all the rest of them I think are going by the wayside.

Mr. GUNDERSON. I don't disagree with what any of you have said and that integration, but I will tell you that becomes much more difficult to articulate in a performance standard versus immediate job placement, et cetera. We run the risk of getting into the same trouble that JTPA got into when it was accused of creaming to get high placements right away, et cetera.

I would encourage all of you and the next panel, to think about this issue of what the Federal articulation ought to be in performance standards. As you think about it, share some written suggestions with this committee. I think we need some help in that area.

Thank you.

Chairman MCKEON. Mr. Sawyer?

Mr. SAWYER. Mr. Chairman, I'm pleased to go ahead with questioning, but as you know I'm not a Member of this subcommittee. So, if the actual Members of the subcommittee would rather go ahead, I'd be happy to have them do that.

Thank you very much, Mr. Chairman.

One of the areas that we've heard you all talk about and certainly it's been embodied in the questions that the members have talked about is the critical importance of both contextual learning and making sure that there is an academic skill integration. One of the areas that over the last four years we've worked hard to deal with has been the whole question of work place literacy and the changing definition of that. It's a moving target. I suspect that when the Census Bureau just got done doing their employer analysis of satisfaction with the production, what they were really talking about was an elevated standard of work place literacy.

What we did four years ago was to take 79 different literacy programs spread across 14 different Federal agencies, combined them into a focused literacy program and attempted to put together a funding formula that drove dollars directly to local programming in places that could do the best good. I'm concerned that that kind of work will be lost in the continuing effort to draw together undifferentiated block grants of a variety of different kinds. I'm also concerned that if we do that the needs of work place literacy will somehow be subsumed under broader and more immediate needs.

I guess I'm getting back to the kind of question that everybody is asking. Can you help us identify specific kinds of qualitative measures of programming that perhaps are more definable than the ones that Doctor Ihlenfeldt discussed, but do not get in the way of the kind of flexibility that you need to meet the needs of differing situations? Is that question clear enough to answer? I guess my question is can you get that specific without becoming so inflexible that we destroy the kind of creativity you need to bring to the process?

Why don't we just start at one end of the table and move down.

Doctor ROSENSTOCK. Yes, I think that we could do that with performance standards. We're all—you know, in schools we're dealing with State frameworks, local curriculum frameworks, Federal frameworks all the time. There are, of course, some inconsistencies within those. I think for me to talk about what some of those should specifically be right now might not make the most sense because it's a kind of involved conversation. But the real issue for me with block grants and what we've seen with block grants before is that at the local level you've got competing constituencies and also there is an overarching tendency to stasis. Really there's going to be a diminishment of funds and there's going to be some infighting over those dollars and clearly the real question is whether if the Federal role should be apparent in certain problems that appear to me at least to be national problems. That's really the issue for me.

Mr. SAWYER. Thank you.

Doctor IHLENFELDT. I think that can be handled very easily through the up front expectations that you would put on it. Personally, I don't see it as a problem. Technology is exploding at an alarming rate and industry will not allow us to get away without providing that type of skill training for their employees. We do a great deal of it through Chippewa Valley Technical College and in the State of Wisconsin and most community colleges do. I think it will be an expectation not only that you could have of us but that industry will demand of us.

Mr. SWEETHEIMER. As a practitioner, the exit outcomes to me are key. If you don't design up front exactly what you want them to do, how well you want them to be able to do and then don't analyze what the skills are that they have going in so that you can measure the degree of progress that you've achieved and then track that to see how successful they are over the next five or 10 years because it's a learn/learn type attitude, it's not a one shot and done, that's the essence of the program.

Mr. POLTO. I think you'll see that all of us pretty much agree on that. One thing I want to point out, however, that I don't think it's the Federal Government's role to continue or maintain programs. I think your role and Federal funding should be to kick start or initiate new programs or to look at programs that have been very, very successful and then have moneys go out there so that those programs can be duplicated. I think the other thing will handle itself.

Mr. SAWYER. Couldn't agree more. That's one of the reasons we took those 79 programs and focused them.

Thank you very much, Mr. Chairman.

Chairman MCKEON. Mr. Roemer?

Mr. ROEMER. Thank you, Mr. Chairman. Are we at Honorable or Doctor or what have we finally decided for Doctor Rosenstock?

Doctor ROSENSTOCK. Mr. Rosenstock is fine, since that's what it says. That's okay. Not esquire, please, though. I'm both an attorney and a carpenter and most people are very quick to tell me which they think is the more noble profession.

Mr. **ROEMER**. Mr. Rosenstock, if you could elaborate a little bit on your statement in your testimony, you said that the Federal Government for relatively little money has played a pivotal role in supporting significant innovation and education. Could you expand a little bit on that and what you mean and what programs you're talking about?

Doctor **ROSENSTOCK**. Okay. Let me use my school as a context for that. I have 53 staff and two of them presently are funded under Perkins dollars and all of my Perkins dollars are used just to fund those two people. We have created a 9th grade program which probably is one of the reasons I'm here today, because it's done so well. It's what we're known best for. That program was created with those people basically working under Federal dollars.

It's very hard in declining budgets, as we all face, clearly at the local level as well, to start new things given the fact that your next year's course catalog goes to the printer on January 4, next year's budget is due on January 15. There's a reason why schools don't change.

So, in terms of the inception of innovation, quite clearly those Federal dollars have helped us. But also we are a school that is probably one of the most visited schools in the country and it's quite clear that what I see from my fellow colleagues is that they need to see exemplars on the ground. Just as Mr. Polto said, that is another very important role for Federal dollars, is to make exemplars apparent to others to determine which are significant and to help stimulate their replication elsewhere.

Mr. **ROEMER**. You also said that—and I'm not sure this is a direct quote. You suggested no programs for the non-college bound.

Doctor **ROSENSTOCK**. That's correct.

Mr. **ROEMER**. Would you expand a little bit on your rationale for reaching that conclusion?

Doctor **ROSENSTOCK**. Yes, certainly. When you design programs for the non-college bound, it's a self-fulfilling prophecy of certain students supposed limited potential predicted by income and the education level of one's parent. Like the 85 percent college going cohort, one would have predicted before that those students were not going to go to college and now they are.

As my grandmother used to say, there are two kinds of people in this world, those who think there are two kinds of people and those who don't.

Mr. **ROEMER**. Was she a doctor?

Doctor **ROSENSTOCK**. No, she was a cab driver, as a matter of fact.

Mr. **ROEMER**. That makes sense.

Doctor **ROSENSTOCK**. My hypothesis simply is that it's essentially going to the data income that inhibits most students from going on to postsecondary learning. My hypothesis simply is that even those students who ultimately won't go on to postsecondary learning are better served by not being segregated from those who are.

Mr. **ROEMER**. Is there something that you—I'm not sure how I feel about precisely that statement, but rather than getting into my philosophy, what if somebody comes to high school with the intention and the goal of saying, "I want to be the best carpenter and I want classes set up for me so that I can pursue this. My grand-parents did this and my parents did this and it's an honorable profession and I want to do that."

Doctor ROSENSTOCK. That's what we do and we serve those students. The conundrum in vocational education is how do we allow a student like that to explore something deeply and not limit their options. That's why you need to provide sound academic skills. The problem is that most 15- and 16-year olds don't know what they're going to be doing as adults. I don't know how many people here knew what they were going to be doing when they are 15 years old. I know that if I had known at 15 I was going to be spending my adult life in a high school, I probably would have ended it right there. But it's axiomatic that we put pressure on lower income students to make such a prediction and typically by doing so get segregated away from rigorous academics.

So, I agree that such a student should be supported for wanting to be a carpenter and should be provided rigorous academics in the process, which incidentally carpenters need.

Mr. ROEMER. And you see that as an education process rather than a training process?

Doctor ROSENSTOCK. Yes, I do.

Mr. ROEMER. Thank you.

Thank you, Mr. Chairman.

Chairman MCKEON. I was going to be a forest ranger. I should have done it.

Mr. Green?

Mr. ROEMER. No comment from this side.

Mr. GREEN. Thank you, Mr. Chairman. Mr. Chairman, I was going to be a printer and I was before I went to law school.

But let me first say I want to thank the panel because I think this is a good cross section of witnesses and particularly Mr. Sweetheimer, because my wife is an algebra teacher in high school. In your statement when you say the frustration of the students, why are we reading this and why are we ever going to use this, one of her best success stories is her examples of using algebra. She hasn't convinced me yet, but some of the stories she's told me about using that on her students in the practical application that's so important from the academic side.

I guess to all the panel generally, I support the integration of both. I think like a lot of you say that you have to have vocational education along with your academic programs because for so many years and for 30 years you were stigmatized either one or the other. In this day and time and particularly in a lot of our blue collar neighborhoods, I was so happy that somebody could get a skill and yet still have the academics to go to the community colleges and on to a four year school if they want to. That's why I like the—I don't necessarily like the block grants, I like the coordination and the forced coordination. I guess the block grant concern I have is that, just like our ranking Member, is that I've seen what the States can do because I served 20 years in the Texas legislature and I see what we can do. Sometimes the Federal Government actually gives more flexibility and not just on community colleges or issues.

Doctor Ihlenfeldt, in your testimony, and it's appropriate that you're here this week because—and I don't know if it's nationally or—it must be nationally because we have a lot of community colleges here in Washington this week. Maybe they all went home yesterday or this morning. But I asked for a report from some of the ones that serve my community and I'm served by about four community colleges in Harris County and Houston and I was surprised that particularly the number like you talked about ?????????? specialized training that you can do or individual businesses and there was a list from Houston Community College of just pages and pages of whether it be from the fire department in Houston to our chemical industry to ESL, English as a second language, and some of the really great things the community colleges are doing. I'm glad to hear it's not just in Houston, but it's nationally, the success.

In your testimony you also talked about the success you've had with technical preparation. Before you leave, you might want to talk to some of your members from Wisconsin because I know in the recision bill technical preparation is being zeroed out. You might explain how that may impact what you're doing in Wisconsin. I've again heard from my community college administrators on that particularly.

Doctor IHLENFELDT. Technical preparation is—and we look at school to work as being the umbrella for both technical preparation and youth apprenticeship. It's a very, very important program for work force development. As I said, we have about 150 contracts—articulated curriculum agreements with 30 high schools in our district and that goes on statewide. I think we have just begun the road to helping people realize at the high school level and the grade school level that an important foundation for those 65 percent of the occupations that will require more than a high school degree but less than a baccalaureate degree can be developed by starting early and that an associate degree at a technical college level is certainly an important asset in the future.

We look at that at the community college level, at the technical college level in Wisconsin as being something which are a partner in. The recision of those funds would certainly have a dramatic impact on what's happening, not so much at the community college level or the technical college level because you have to realize that most school to work funds funnel through the technical and community colleges to the K–12 systems. But it will have a dramatic impact on small high schools like Oseo, the Thorpe High Schools and things like that in our district where they cannot release their teachers to work on articulated agreements and articulated curriculum. So, that would have a significant impact if it were rescinded in total.

Mr. GREEN. Thank you.

Again, Mr. Chairman, thank the panel for being here.

Mr. WILLIAMS. Mr. Chairman, may I have just half a minute?

Mr. Ihlenfeldt, Steve was kind enough to take me out to see your good campus, as you recall——

Doctor IHLENFELDT. Yes, I remember that.

Mr. WILLIAMS. [continuing] and talk to your people. I must tell you when I was chair of this committee as well as other Education subcommittees I visited, I suppose, a couple of dozen schools through the years. None was more impressive to me than your operation. I commend you and your staff.

Doctor **IHLENFELDT**. Thank you.

Chairman **McKEON**. That's one thing that we've talked about. We're going to do some trips and I'm really looking forward to it. One of the things that I'm enjoying most about being in Congress is you get to see so many things that you wouldn't get to see otherwise. Your interests really expand and you have a lot of opportunity to see things.

Years ago I had a young man working for me that was going through college and his goal was to be at that time a shop teacher. I enjoyed shop. I took all the shop courses I could in school and I think they opened up a lot of vistas. But he was preparing to teach vocational education. One of his good friends was already out of school and was teaching English. During the process of him preparing to teach, he became alienated kind of from the English teacher friend because he was going into vocational education. He was on a different plateau. He ended up not going into teaching because of that. Is that still happening? Are vocational education teachers looked down upon in the system?

Mr. **POLTO**. Not in every situation, but I'm afraid to say yes. We in vocational education suffer from what's called the "Oh syndrome." If you meet one of your friends and they say, "Where are you working?" "I'm working at the vocational school," they go, "Oh." Yes, that's there.

Chairman **McKEON**. I think that's a real shame. I don't know how we can do anything to change that. You know, it's interesting to me. It seems like in all the programs we talk about, the very successful programs come down to a teacher or an administrator, somebody that is totally committed, that really gets in and does a job.

Mr. **POLTO**. And that's the answer because I think that "Oh" syndrome can be alleviated at individual schools because when schools make an effort to meet the needs of students and bring themselves up, they become those State models, local models or national models and now people don't think that way but of that particular school. The rest of the profession is still there. So, we have to bring them all up.

Chairman **McKEON**. Yes?

Doctor **IHLENFELDT**. I think that's where the very thing you're pointing at is why school to work and technical preparation dollars are so extremely important, because that's changing attitudes. It's starting down at the K–12 level and that will change attitudes of people across the country. I had a daughter who should have gone to a technical college but because of peer pressure, her father is the president of the college, her mother graduated from a technical college and yet she would not go because of peer pressure. That is changing because of school to work.

Chairman **McKEON**. That's great. I know during our mark-up last week I think it was—it might have been Mr. Owens. It was somebody on the other side who talked about how every job, every job that a person performs has value and should be. We shouldn't demean people because of the job they're performing. How should we rate people in how they do the job that they're performing?

I really appreciate you being here today. I think, as Mr. Gunderson pointed out, from this process hopefully we've opened up a communication and a dialogue. As we go through the process, we'll be holding more hearings during this month and the next month and before we get into mark-up. I'm sure as you leave there will be more things that you think of that you should have said. If you could call us or write to us, we would certainly appreciate it and hope that you will be open to us asking more questions through this process as we go on.

I really want to again thank you for being here.

We'll now open up for the next panel.

We want to welcome Ms. Neifert, Director of Federal Programs from the York City Schools; Mr. This, how do you say it?

Mr. THIS. This.

Chairman MCKEON. This. Just like it looks.

Mr. This, Executive Vice President, Washington State Employees Credit Union; Mr. Richard Gonzales, a student from Covina, California, down near my neck of the woods; and Ms. Jonna Scott, student from Lacey, Washington.

We're pleased to have all of you here. You've had a chance to see how we go through this process, how the time works, how the questioning works. Let's start with Ms. Neifert.

STATEMENT OF PAMELA NEIFERT, DIRECTOR OF FEDERAL PROGRAMS, YORK CITY SCHOOLS, YORK, PENNSYLVANIA

Ms. NEIFERT. Chairman McKeon, committee Members, thank you very much for this opportunity to speak with you today.

Doctor William Menninger stated, "It is difficult give children a sense of security unless you have it yourself. If you have it, they catch it from you." With these words in mind, I put before you the following statistics:

The 1990 Census data shows that there are nearly 15 million displaced homemakers and single parents in the United States. Displaced homemakers are individuals who have been out of the labor force providing unpaid services for family members whose source of income has been removed and who are experiencing difficulty obtaining employment. In other words, displaced homemakers must realign their lives to establish a secure environment for themselves and their children.

There are many cases I could cite, but I have chosen one. A woman who had just turned 40 had no choice but to leave a marriage to a dentist whom she had supported through dental school. She had invested in his future thinking it was for the security of the family. Suddenly, however, the future of her three children and herself was up to her. Thanks to displaced homemaker classes in York, Pennsylvania, she found a support group. Within six weeks she had received the training and encouragement to focus on reentering the job market.

After she had established a secure home for her children, the children were able to deal with their own needs. They came forward to seek psychiatric counseling, and the mother found out that not only had she been abused but her children had been sexually abused.

As quoted before, it is difficult to give children a sense of security until you have it yourself. If you have it, they catch it from you. These children caught it from their mother.

The reason I have chosen this case is simple. This is my story 10 years ago.

There are many graduates of displaced homemaker programs throughout the country who wanted to testify before you today. Sue Cassady from Fort Wayne, Indiana and Christine Monito of Santa Clara, your hometown, Congressman McKeon. Nearly 300,000 other individuals who have gone through displaced homemakers and single parent programs supported through the Perkins Act would like to be here today because the program works.

They come from all socioeconomic groups, races and religions. For 14 years the program in York, Pennsylvania has effectively provided the services necessary to empower displaced homemakers to move from unemployment to economic self-sufficiency. Eight-two percent of the graduates are working or in additional training programs within one year of graduation. Each one of these clients has a story and each story is unique but has the following common threads that weave through it. The family culture has been destroyed. Habitual patterns of daily life no longer exist. These patterns have been replaced with confusion, fear and upheaval.

Despite these emotional challenges, a displaced homemaker must suddenly find a way to financially support her family. That is why I've come before you today. In six weeks, the displaced homemaker program built structure, hope and security back into families. It is a program that works. I graduated from my training to become a personnel director for six years. I was then promoted and now I write all the grants and administer Federal and State programs for my school district. My children obtained educations and are now contributing adults.

The Federal Government provided me with six weeks of training when I needed it the most. The investment resulted in four contributing secure members of society. Pennsylvania has calculated the savings that accrue to the State from displaced homemaker/single parent programs because of reductions in public assistance to be about $2 million. Fifty-six percent returned to the State on the total Perkins funds used for sex equity and displaced homemaker programs. That means annually. In two years you would recoup your investment in displaced homemakers.

In your kind invitation to testify, you asked me to comment on how quality programs can be maintained at the State and local level while consolidating numerous Federal categorical programs and set asides through block grants. If the block grant system enables funding to flow down to the local levels with fewer restrictions, the program which exist in institutions shall improve services. They will have more flexibility to serve the needs of their participants, if they exist in institutions.

My concern however is for programs such as displaced homemaker programs which do not have a system in place to support it. These programs exist outside large institutions. They are short-term programs. They are not members of the cultures of institutions. Continued Federal leadership in assuring that States provide services to displaced homemakers and single parents is absolutely essential. State administrators of these programs are unequivocal in their belief that displaced homemakers will not get services without Federal requirements. They are concerned that individuals who are going through major life changes will not be at the table when State and/or local legislators are making decisions about job training programs.

It is up to you to assure that these women who have been your volunteers in our schools, the organizers in our communities are not penalized and left high and dry because they happen to live in a State that doesn't value their potential as taxpaying citizens.

Thank you.

Chairman McKEON. Thank you very much.

[The prepared statement of Ms. Neifert follows:]

PAMELA H. NEIFERT
COORDINATOR OF FEDERAL PROGRAMS
SCHOOL DISTRICT OF THE CITY OF YORK
DISPLACED HOMEMAKERS EMPLOYMENT TRAINING AND SELF-SUFFICIENCY PROGRAM TESTIMONY
MARCH 1, 1995

Dr. William Menninger stated: "It is difficult to give children a sense of security unless you have it yourself. If you have it, they catch it from you." With these words in mind, I put before you the following statistics. The 1990 Census data shows that there are nearly 15 million Displaced Homemakers and single parents in the United States. Displaced Homemakers are individuals who have been out of the labor force providing unpaid services for family members whose source of income has been removed and who are experiencing difficulty obtaining employment. In other words, Displaced Homemakers must realign their lives to establish a secure environment for themselves and their children.

There are many cases I could cite, but I have chosen one. A woman who had just turned 40 had no choice but to leave a marriage to a dentist whom she had supported through dental school. She had invested in his future, thinking it was for the security of the family. Suddenly, however, the future of her three children and herself was up to her. Thanks to the Displaced Homemakers classes offered in York, Pennsylvania, she found a support group. Within six weeks she had received the training and encouragement to focus on re-entering the job market. After she had established a secure home for her children, the children were able to deal with their own needs. They came forward to seek psychiatric counselling and the mother found out that not only had she been abused, but so had her children. As quoted before, 'It is difficult to give children a sense of security until you have it yourself - if you have it, they catch it from you." These children caught it from their mother. The reason I have chosen this case is simple, this is my case, my story ten years ago.

There were many graduates of Displaced Homemaker Programs throughout the country who wanted to testify before your today. Sue Cassady of Fort Wayne, Indiana; Christine Monito of Santa Clarita, California and nearly 300,000 other individuals who have gone through Displaced Homemaker and Single Parent programs supported through the Perkins Act. They come from all socio-economic groups, races and religions.

For fourteen years, the Program in York, Pennsylvania has effectively provided the services necessary to empower displaced homemakers to move from unemployment to economic self-sufficiency. 82% of the graduates are working, or in additional training programs within one year of graduation. Each one of these clients has a story. Each story is unique but has the following common threads that weave through it:

- The family culture has been destroyed.
- Habitual patterns of daily life no longer exist.
- These patterns have been replaced with confusion, fear and upheaval.
- Despite the emotional challenges, a Displaced Homemaker must suddenly find a way to financially support the family.

That is why I have come before you today. In six weeks, the Displaced Homemaker Program builds structure, hope and security back into these families. It is a program which works. I graduated from my training to become a Personnel Director for six years. I was then promoted and now I write all the grants and administer federal and state programs for my school district, the School District of the City of York. My children obtained educations and are now contributing adults. The Federal Government provided me with six weeks of training when I needed it most. The investment resulted in four contributing, secure members of society. Pennsylvania has calculated the savings that accrue to the state from displaced homemaker/single parent programs because of reductions in public assistance to be $1,966,524 - 56% return to the state on the total Perkins funds used for sex equity and displaced homemaker programs.

In your kind invitation to testify, you asked me to comment on how quality programs can be maintained at the State and local level while consolidating numerous Federal categorical programs and set-asides through block grants. If the block grant system enables funding to flow down to the local levels with fewer restrictions, the programs which exist in institutions shall improve services. They will have more flexibility to serve the needs of their participants. My concern, however, is for programs such as the Displaced Homemakers Programs which do not have a system in place to support it. These programs exist outside large institutions. They are short-term programs. Continued federal leadership in assuring that states provide services to displaced Homemakers and single parents is absolutely essential. State administrators of these programs are unequivocal in their belief that displaced homemakers will not get services without federal requirements. They are concerned that individuals who are going through major life changes will not be at the table when state and/or local legislators are making decisions about job training programs. It is up to you to assure that these women - who have been the volunteers in our schools, the organizers in our communities, are not penalized and left high and dry because they happen to live in a state that doesn't value their potential as taxpaying citizens.

Chairman McKEON. Mr. This?

STATEMENT OF JIM THIS, EXECUTIVE VICE PRESIDENT, WASHINGTON STATE EMPLOYEES CREDIT UNION, OLYMPIA, WASHINGTON

Mr. THIS. Thank you. I appreciate the opportunity to come today and speak to the committee about the positive effect that vocational education is having on the business community in Olympia, Washington.

My name is Jim This. I'm Executive Vice President of the Washington State Employees Credit Union. We're the second largest credit union in the State of Washington and among the top 75 in the country. We employ about 300 people, 175 of them in the Olympia area.

I'd like to talk to you today about our experience with the New Market Skills Center in Olympia. It's a vocational program that serves students from 23 area high schools and nine different school districts. The center offers 14 different vocational programs, one of which is in financial customer service and that's the one that we're most intimately associated with.

We began our partnership with the New Market Skills Center in 1987. Our first involvement was to simply have some students intern for a period of about a month with us, two in the morning and two in the afternoon. We realized very quickly that there were tremendous rewards to be had from continuing the relationship with the school.

In 1988 the school asked us to open a small branch, we prefer to call it twig actually, to give students the experience in real world financial transactions. We were happy to oblige and now we have a small two person office which is adjacent to the classroom where the students attend classes throughout the day. We're open to the public Monday through Friday from 8:30 in the morning until 2 p.m. in the afternoon and the office is managed by one of our senior tellers from the Credit Union. They're joined by a couple of students from the Skills Center class every day. During the summer two of the students continue on to help us run the office when the school is not actually in session.

We also have a number of our staff people who go in and teach sessions periodically in different areas of financial and management type of classes for them. As a matter of fact, for a one year period one of our employees was the full-time instructor at the school too. So, we are very happy with our relationship with the Skills Center.

We think that the Skills Center helps us in five major areas to develop potential employees for us. The first is that we can help to take an active role in the development of the skills that are taught to the students. We feel that we can combine our experience with the textbook preparation and get people really ready for the work place.

Secondly, the hands-on training that we provide helps to enhance the classroom discussion that they're receiving in other parts of the teaching. Our financial service skills need to be experienced to be truly learned and by working in a real life office that actually pays and receives cash and deals with the public in all their fine moods and not so fine moods, we feel that people get a real practical experience about what's going to be facing them when they get out.

We also have an opportunity to observe prospective new employees in a working environment rather than simply through a series of interviews. Seeing how people interact with other employees, how they deal with the public, how they perform the skills of the financial industry, these things are far better criteria for us in selecting staff members rather than just simply relying upon resumes and interviews.

Another great advantage for us is the people that we hire are trained and have become productive for us immediately. Since the students have trained on our equipment and our data processing systems, they fit easily into our teams.

Finally, the Skills Center emphasizes issues of punctuality, professional demeanor, assertive interaction with people and responsibility to a high degree. It's been our experience that these issues of human relations are far more important in finding out what leads to success in people rather than simply their ability to balance a cash drawer.

Since our partnership began in 1987, approximately 32 students have interned in our office and this relationship is repeated in another eight institutions around the area there. We've hired 15 students as full-time employees for us in the last nine years. Nine of those people are still employed with us. The people who have left us have moved on to other opportunities in business and several of the nine people who remained with us are now in the position of getting into entry level supervisory positions in the next year or so. So, quite a success story for them.

In short, we're proud of the tradition of successful employees who have partnered with us from the Skills Center and we think that the money that we have devoted to vocational education is well invested, not just well spent.

Thank you very much. Jonna at the end here is one of our success stories. She'll talk a little bit later.

Chairman McKEON. Thank you.

[The prepared statement of Mr. This follows:]

Statement of Testimony to Committee on Economic and Educational Opportunities

James L. This, Ph.D.
Executive Vice President, Washington State Employees Credit Union
March 1, 1995

Thank you for the opportunity to address the Committee on the positive effect vocational education is having on the business community in Olympia, Washington. My name is James L. This. I am the Executive Vice President of the Washington State Employees Credit Union--the second largest credit union in the State of Washington and one of the seventy-five largest credit unions in the United States. We employ 300 people throughout the state--approximately 175 of them in the Olympia area.

My remarks will center around our very successful relationship with the New Market Skills Center, a cooperative vocational program that serves students from twenty-three area high schools from nine school districts. The Center offers fourteen different vocational programs, including Financial Customer Service.

The Credit Union began its partnership with the New Market Skills Center in 1987. Our first involvement was to permit several students from the school to intern for about a month in our Olympia Office. From that first experience we saw tremendous rewards from continuing the relationship with the school.

In 1988 we were asked by the New Market Skills Center to consider operating a small branch, more of a twig really, to give students experience in real world transactions. We were very happy to oblige. The small, two person office is adjacent to the class room.

Our Skills Center office is open to the public Monday through Friday from 8:30 AM to 2:00 PM. It is managed by one of our Senior Tellers. She is joined by students from the Skills Center class. During the summer, two students continue to help us run the office. A number of staff members from our Credit Union and other businesses appear as guest instructors. For a one year period, one of our employees served as the full-time instructor for the program.

The Skills Center provides us with five major benefits in developing employees.

- We take an active role in the development of the skills that are taught to students. Our real world experience blends with the theories of textbooks to better prepare young people for the workplace.

- We provide hands on experience to reinforce reading and classroom discussion. Financial service skills need to be experienced to be truly learned. By working in a real life office environment that pays and receives cash and deals with the public in all their moods the students get a much better idea of what is in store for them.

- We have an opportunity to observe prospective new employees in a working environment rather than a series of interviews. Seeing how people interact with other employees, deal with the public and perform the skills of the financial industry are far better criteria for selecting staff members than relying on resumes and interviews.
- We hire trained employees who are productive immediately. Since the students have trained on our equipment and systems, they fit into the team quickly.
- The Skills Center emphasizes issues of punctuality, professional demeanor, assertive interaction and responsibility to a high degree. Our experience has proven that it is these issues of human relations that lead to success or failure more than the ability to balance a cash drawer.

Since our partnership began in 1987, approximately 32 students have interned in our office. This relationship is repeated in another eight financial institutions in the area. The students enjoy the introduction to the work place and we like the opportunity to scrutinize potential employees.

We have hired fifteen students as full-time employees over the past nine years. Nine of them are still WSECU employees. The people who left moved onto other opportunities in business. Several of the students who joined us in the late 1980's are in line for promotion to entry level supervisor positions in the next year or two.

We are proud of the tradition of successful employees that our partnership with the Skills Center has produced. The Credit Union feels that money devoted to vocational education is well invested, not just well spent.

Thank you for allowing me to share some good news with you today.

Chairman McKEON. Mr. Gonzales?

STATEMENT OF RICHARD GONZALES, STUDENT, COVINA, CALIFORNIA

Mr. GONZALES. My name is Richard Gonzales. I was an Apparel Marketing technical preparation student at East San Gabriel Valley Regional Occupational Program in Eastern Los Angeles County.

I am currently employed as a visual coordinator at Banana Republic, a retail clothing company with stores throughout the United States. After I graduated from high school, I attended Los Angeles Trade Technical Community College, Mount San Antonio College and now I attend the University of Phoenix at the Pasadena campus on a scholarship provided by my employer. They are willing to give me the support so I can stay and grow with the company.

You might never guess from what I have just said I have a learning disability. I have been a special education student all through elementary and high school. Before I enrolled in the regional occupational program I did not participate in school activities. At that time I did not relate to these things. I dressed in all black, wore silver chains and had purple hair and kept company with what was called punk rock at that time. I liked looking unique.

I did not do well in my classes. At times I would get the girls at my table to do my homework. I think that it had to do with the fact that I just did not feel I could do the work. I did not know how to spell correctly and I did not read very well. I sort of gave up. It was an easy way out.

What the regional occupational program has taught me is to learn other ways of getting information. They gave me a test to help me understand what careers might fit my personality and my abilities. They advised me on courses I should take and helped me enroll into these classes. I told them that I needed to get a job right now. My mother was pushing me. She needed help with money at home. She also thought it was time for me to grow up and start learning to support myself. I told the regional occupational counselor I needed a job and he sent me to the Job Training Placement Act office. They got me a job filing and copying cards. Some of the people at the office said to my work supervisor, "I don't know why you even bother with him. He isn't going to get anywhere." Well, I proved them wrong. I was so mad. I think their comments gave me the drive to keep going and not stop and not to look back.

When I enrolled in the apparel marketing program I was nervous, but I found out I was really interested in the program because it was a career that interests me. My regular academic classes do not excite me. It was so hard for me to understand. It was almost like a foreign language. But work site learning worked for me. In the work environment I can learn on the job. I always describe the Regional Occupational Program as one that lets you learn how your academics are used on the job. Technical preparation classes may teach you math, but you are learning math that you will use in a job. When you are making out reports and working, you are doing English, spelling and writing.

I feel that where technical preparation really helped me is that it geared me to getting into management and to understand technical skills. Skills were introduced by the instructors who have done the work business themselves. Education comes from books, but it will never click for many people until they use the knowledge in a hands-on way. I don't think you can do one without the other. One thing that helped me was a profiling I kept through technical preparation classes. It had all my course outlines, educational pathways, career pathways with classes charted out for me to take to college. I was able to track all my job seeking materials and my school transcripts and show them to my college counselors and future employers. That was very important to me when looking for a job. I see people come in every day and I would not hire them because they cannot document their skills. All the companies I've worked for were very impressed during my interviews. They were willing to hire me and give me lots of support because they knew exactly what I had learned in school and what my competencies were.

An important part of my schooling was the participation in DECA, which is a student organization for marketing students. DECA taught me management leadership and business skills communication and people skills. That competency is part of real life. I know now that to compete in the work world you have to be the best at whatever you do if you want to keep your job. Whatever the committee decides to do with the money for vocational education for high school students, please remember that work site learning, counseling and other support services are very important. I really believe that anyone can succeed if they are given the opportunity to learn the way they learn best. I was fortunate to have been given the opportunity and I hope that you continue to help make the opportunity available to all students.

Thank you, Mr. Chairman.

Chairman McKEON. Well, if you have a learning disability and a reading problem, you have certainly come a long way. I don't think anybody here would have known if you hadn't told us. Excellent job.

[The prepared statement of Mr. Gonzales follows:]

TESTIMONY TO THE HOUSE SUBCOMMITTEE
ON
POST-SECONDARY TRAINING AND LIFE-LONG LEARNING

My name is Richard Gonzalez and I am a former Apparel Marketing Tech Prep student at East San Gabriel Valley Regional Occupational Program located in Eastern Los Angeles County

I am currently employed as a visual coordinator at Banana Republic, a retail clothing company with stores throughout the United States. I work at two Southern California stores: the Glendale and Pasadena store. After I graduated from high school, I attended Los Angeles Trade Technical College in the city of Los Angeles, and Mount San Antonio College in the city of Walnut. I now attend the University of Phoenix, at the Pasadena campus on a scholarship program provided by my employer. They are willing to give me support so I can stay and grow with the company.

You might never guess from what I have just said that I have a learning disability and have been a special education student all through elementary and high school.

Before I enrolled in the Regional Occupational Program, I was not very social in high school. I did not participate in school activities like ASB or other social clubs. At that time I did not relate to those things. I would dress in all black clothes, adorned myself with silver chains, I had purple hair and kept company with what was called "punk rock" at the time. I liked looking unique and I was happy with the way I looked. Now, I know it must have been a way of hiding and defining myself as my own person. I did not do well in my classes. At times I would get the girls at my table to do my homework. I think that it had to do with the fact that I just didn't feel that I could do the work. I always had a hard time in class. I was always in special education. I did not know how to spell correctly and I did not read very well. I sort of gave up, it was an easy way out.

Everybody else around me--they knew math--they knew English and I just couldn't grasp it. I was just very frustrated. I knew I had some very good teachers that helped me, that sat and explained it to me--but I think like with math, I hated it---but at the same time I know that it is part of life. What I learned at the Regional Occupational Program is that I have to be shown step by step and to follow that. I think it took me a lot longer to grasp it. I remember when I had to stand up and read, it made me feel like crying just thinking about it. I don't like to read because I get frustrated when it doesn't make sense to me. If I open a book and read it, I have to keep going back and back until it clicks---so it takes a long time, like a computer, it takes so long to print out! Now I learn in other ways to get information. To this day, if people ask me to read, I still get a little scared. Just last week we had a walkthrough of management in the store, they were asking us questions, I tried to stand behind somebody like a taller person so they wouldn't see me. It's really scary under that pressure.

I was in special classes in elementary school, so when I got to high school I was in Learning Disabilities classes. My teachers there told me about all these special services that were available to me. The Regional Occupational Program gave me an assessment test to help me understand what career might best fit my personality and my abilities. They advised me on what courses I should take and helped me enroll in those classes. I told him I needed to get a job right now. My mom was pushing me, she needed the help with money at home. She also thought it was time for me to grow up and start learning to support myself. Even though I changed high schools, I told the Regional Occupational Program counselor I needed a job and he sent me to the Job Training Partnership Act office. They got me a job filing and copying cards. Some of the people at the office said to my work supervisor "I do not know why you even bother with him. He isn't going to get anywhere." Well, I proved them wrong. I was so mad, I think their comments gave me the drive to keep going and not stop and not to look back.

When I enrolled in the Regional Occupational Apparel Marketing Program, it was another change and I was nervous. I found out I was really interested in the program, because it was a career that interested me. My regular academic classes did not excite me. It was so hard for me to understand it was almost like a foreign language, but worksite learning worked for me. It was very comfortable in my Regional Occupational classes. I found it interesting; the skills I learned and the things we talked about - the interaction. During class, no one ever had a wrong answer. There were many solution to a problem. We would discuss them. In the work environment I could learn out there on the job. I always describe the Regional Occupational Program as one that lets you learn how academics are used on the job. Tech Prep classes may be teaching you math, but you are learning that type of math that you will use on a job when working, and you get to practice the math in a real business setting.

I know now that I am really doing Geometry when I figure the space within a display area. It's very interesting that so many different aspects of writing, reading and arithmetic are in the work that you do and you don't realize it. I think it's the passion to do my work that gives me the ambition to learn everything else that is around it. When you are making out reports at work you are doing English and spelling and reading and punctuating.

I have to admit, one thing I have always had the hardest time doing was figuring out percentages. I deal constantly with how much percentage of the business sales are particular fabrics, classifications and/or styles. Before, I used to see a sheet of numbers, but now the sheet makes sense. When I tried to learn percentages in the classroom, I could not grasp the concepts, or the formulas. At work, I found my own way to do it, and now it's all right, I understand it.

I feel that where Tech Prep really helped me is that it geared me to get into management and to understand technical skills. I feel that my schooling wasn't all books and writing.

Skills were introduced to us by instructors who had done the work in business themselves. Education can come from books, but it will never click for many people until they use the knowledge in a hands-on way. I don't think you can do one without the other. Learning needs to be integrated. I think most people would be turned on by school and by education and getting into a good career if they had good programs like I had.

What I learned, I was automatically able to use. Going to school and learning on the job at the same time gave me a direct connection to what I had to do for a future career. I learned in class and then I would go out and do it.

It was almost like reading a short story and then going out and problem solving it. I think that it is like a giant word problem. When you are able to solve problems at work it is very encouraging to go back and keep learning.

One thing that helped me, was the portfolio I kept throughout Tech Prep classes. It had all my course outlines in it, educational pathways, career pathways with classes charted out for me to take in college. I was able to keep track of all my job seeking material in it, my school transcripts, my DECA projects and awards and show them to my college counselors and future employers. That was very important to me when looking for a job. I see people coming in every day and I wouldn't hire them because they can't document their skills. All the companies I worked for were very impressed during my interviews. They were willing to hire me and give me lots of support because they knew exactly what I had learned in school and what my competencies were.

An important part of my schooling was my participation in DECA, which is a student organization for marketing students. When I started DECA I think that was the beginning of my being able to accomplish academics. Interactions with other students and business people were good for me. DECA is still important to me. I am an alumni member now and I go to help students and tell them what I learned. It's funny, because when I am helping them I am not able to read much of what they are doing, but I am able to tell them how to present what they have written. DECA taught me management skills, leadership and business skills, communication and people skills and that competition is a part of real life. I hated competition then. I know now that you have to compete in the work world, you have to be the best at whatever you do if you want to keep your job. A great experience for me was when I was able to implement one of my DECA projects at my job. When I showed my project to them, they got very excited. They couldn't believe that someone still in high school could do that type of work. That made me very happy to see my ideas used in a real department store.

I think that anyone who has some type of disability in learning is very defensive because you see everyone as smarter than you and you think that they are going to succeed in life while you will not. I have found out that just isn't always true.

The best thing about life-long learning is the opportunity for exposure to the workforce, then going back to the classroom, learning more, then applying those techniques and seeing them really work.

Every day is a learning process for me. Right now, I am enrolled at the University of Phoenix and getting my Bachelor's degree which is a goal I thought I could never strive for. I know that it will be a very hard thing for me to do- but it's something I feel I must do for my personal gratification and for my self-confidence, so that I can look back and say that I actually did it! I think that would be the all-time ---the ultimate achievement for me. Even though I am learning every day on the job, it just makes life that much more worthwhile. I still sometimes get scared to make changes in my life, but, I know I can.

Whatever your committee decides to do with money for vocational training for high school students, please remember that worksite learning, counseling and other support services are very important. I really believe that anyone can succeed if they are given the opportunity to learn the way they learn best. I was fortunate to have been given this opportunity and I hope that you continue to help make the opportunity available to all students.

Richard Gonzalez
c/o East San Gabriel Valley Regional Occupational Program
1024 West Workman Avenue
West Covina, California 91790
(818) 960-3625

Chairman MCKEON. Ms. Scott?

STATEMENT OF JONNA SCOTT, STUDENT, LACEY, WASHINGTON

Ms. SCOTT. Chairman McKeon and Members of the Subcommittee on Postsecondary Education, Training and Life-Long Learning, good morning. My name is Jonna Scott and I am here in Washington, DC from the other Washington. This morning I would like to share my experience as a consumer of vocational education.

Many times we as people make decisions without thoroughly thinking them through. I unfortunately was one of these people. I did not attend high school my sophomore year. Due to family situations, I moved around my entire life. My sophomore year we moved to an area where the high school was known to be a tight knit cliquish environment. This contributed to my decision not to return back to school. For a whole year no one made me go, so I chose not to.

By the following year my situation had changed. I moved in with my dad and, without a shadow of a doubt, I knew I had to go back to school. Speaking with the principal and counselor, I shared I was not ready nor comfortable to handle a whole day at high school after being out so long. They recommended New Market Vocational Skills Center which is a vocational technical training center serving students from 23 high schools. This not only gave me a half a day at my high school, but also would equip me with job skills of my choice. The word "choice" really stuck out. I was able to choose the program that best suited me. After meeting with New Market administrators, I chose a program called Financial Customer Services.

Soon my first day of school came. I was extremely nervous. Actually, I was scared. Coming back to school was a fear I had never experienced before. My nerves began to calm once I arrived at New Market. The atmosphere was completely different from high school. It was a business environment, marrying industry in every way possible. I was expected to be a responsible employee rather than just another student. Soon enough my self-esteem was built back up and I felt like a student again. The transition was not easy at first, but the knowledge and professionalism that New Market's staff focused on made me feel accepted and right at home.

At New Market we were assessed in three different areas, knowledge, skills and professionalism. Knowledge is the general material necessary to function in industry. The skills is how well knowledge is performed and professionalism is those interpersonal and transferrable work skills needed to be a success such as attendance, attire, attitude and poise. Professionalism is the most important to me because no matter what career path I choose, professionalism is a quality skill all employees must have.

To be like the real work world, the financial customer services program had each student set goals for the week and complete assigned work for points, which actually became our paychecks at the end of the month. We were given the opportunity to demonstrate responsibility for our own actions. The classroom was just like a real life job. We clocked in and clocked out and had breaks depending on the number of hours spent in class. Because my instructor came from the banking industry with a minimum experience of seven years, I was confident I was learning exactly what the industry would require of me.

The last six weeks of my first year program I worked at Washington State Employees Credit Union on a six week internship demonstrating the skills learned in class. As a result of this internship, I was hired to work for Washington State Employees Credit Union for my senior year and have been employed there ever since. Due to my vocational training, I earn a livable wage with full benefits and have for two years.

Just recently I walked into a local grocery store and saw students I graduated with packing groceries. I was so thankful I had the opportunity to have the vocational training that enabled me to leave McDonald's and be where I am today.

Thanks to the vocational education, the two years I spent in Financial Customer Services provided me with the skills necessary to be a quality employee and lifelong learner. Besides going to school and working part-time at the credit union, I also worked four to six hours a day as a secretary to the Training and Transition Program. I was able to compete for this position because of the computer skills and professionalism training I received in financial customer services. Training and Transition is a program which operates with school-to-work and Carl D. Perkins dollars. It annually retrieves over 200 high-risk youth in my community off the streets and redirects them into education and training to become self-sufficient, just like me. A key factor in obtaining this position was my training as a New Market Ambassador Equity specialist. This is a group of students who are trained as peer educators to help other students appreciate equity and diversity, to keep New Market's campus a safe learning environment.

Due to my perseverance and strength and the support of my family and New Market, I tackled the task that at one time I thought was impossible. I finished three years of high school in two years and graduated on time with my class of 1994. I can honestly say that vocational education has changed my life. It has given me the skills, confidence and knowledge that I can accomplish anything.

My lifelong dream is to become a teacher. In order to accomplish this dream, it takes time and money, both I have not had until now. My dream was always in my heart, but in my mind is where it would have had to stay. Until, that is, I became a part of New Market and vocational education.

This year I will use my scholarship I was awarded last year to enter college in my community. I am on my way because skills training at the high school level opened doors to a future I was prepared to live without. That is why it is so important to me that I testify here today. I would really like to give others what vocational education has given me, a goal and the knowledge I can achieve my lifelong dream to become a teacher.

I am just one of the many miracles that walk through vocational education's door. My friend Krista Dougherty, for example, who also works at Washington State Employees Credit Union, said, "You tell them that my vocational program gave me direction in my life." And my friend Brittany Hyers, who is employed by Heritage Bank, said, "I would not be where I am today if it weren't for my vocational program." I could go on and on about friends that have transitioned from school to a career thanks to the relevancy provided by the vocational technical training.

The traditional high school system does not fully prepare students for the working world. Constantly the question is asked, "Why do we have to learn this or that?" Only through vocational education does the answer become clear. Students can quickly see how their classroom work is used in the real world. I am young and lack the experience to fully understand the complexities of money sources and politics, but I do know that special programs made possible because of such laws as the Carl D. Perkins Act and the School to Work Act provide a lot of students in this country with the relevant training necessary to become contributing members to our communities and to society as a whole.

Thank you for listening.

Chairman MCKEON. Thank you for being here. I certainly hope that you become a teacher.

Ms. SCOTT. Thank you.

Chairman MCKEON. Because you'll be an outstanding one and you'll be able to share your experience with many. You know, we've heard the story many times, you can count the seeds in an apple, but you can't count the apples in a seed. You think of what influence a teacher can have as you touch people and the ripples go out through life. It's a tremendous goal that you have set and I hope you're very successful in that.

[The prepared statement of Jonna Scott follows:]

Testimony of Jonna C. Scott
Before the U.S. House of Representatives
Subcommittee on Postsecondary Education,
Training and Life-Long Learning

March 1, 1995

Chairman McKeon and members of the Subcommittee on Postsecondary Education Training and Life-Long Learning....Good Morning! My name is Jonna Scott, and I am here in Washington D.C. from the other Washington. This morning I would like to share my experience as a consumer of vocational education.

Many times we as people make decisions without thoroughly thinking them through. I, unfortunately, was one of these people. I did not attend high school my sophomore year. Due to family situations, I had moved around my entire life; my sophomore year we moved to an area where the high school was known to have a tight-knit, "cliquish" environment. This contributed to my decision not to return back to school. For a whole year no one made me go, so I chose not to.

By the following year, my situation had changed. I moved in with my Dad, and, without a shadow of a doubt, I knew I had to go back to school. Speaking with a principal and counselor, I shared I was not ready nor comfortable to handle a full day of high school after being out so long. They recommended New Market Vocational Skills Center, which is a vocational-technical training center serving students from 23 high schools. This not only gave me a half-day at my high school, but also would equip me with job skills of my choice. The word choice really stuck out. I was able to choose the program that best suit me. After meeting with New Market administrators I chose a program called Financial Customer Services.

Soon, my first day of school came. I was extremely nervous; actually I was scared! Coming back to school was a fear I had never experienced before. My nerves began to calm once I arrived at New Market. The atmosphere was completely different from high school. It was a business enviornment mirroring industry in every way possible. I was expected to be a responsible employee rather than just another student. Soon enough my self-esteem was built back up, and I felt like a student again. The transition was not easy at first, but the knowledge and professionalism that New Market's staff focused on made me feel accepted and right at home.

At New Market we were assessed in three different areas, knowledge, skills, and professionalism. Knowledge is the general material necessary to function in an industry, the skills is how well the knowledge is performed, and professionalism is those inter-personal and transferrable work skills needed to be a sucess such as attendance, attire, attitude, and poise. Professionalism is the most important to me because no matter what career path I choose professionalism is a quality skill all employees must have.

To be like the real work world, the FCS program had each student set goals for the week and complete assigned work for points, which actually became our paychecks at the end of the month. We were given the opportunity to demonstrate responsibility for our own actions. The classroom was just like a real life job. We clocked in and clocked out and had a break depending on the number of hours spent in class. Because my instructor came from the banking industry, with a minimum experience of 7 years, I was confident I was learning exactly what the industry would require of me. The last six weeks of my first year program, I worked at Washington State Employees Credit Union on a six week internship demonstrating the skills learned in class.

As a result of this internship I was hired to work for Washington State Employees Credit Union for my senior year, and have been employed there ever since. Due to my vocational training I earn a livable wage with full benefits and have for 2 years now. Just recently I walked into a local grocery store and saw students I graduated with packing groceries. I was so thankful I had had the opportunity to have the vocational training that enabled me to leave McDonalds and advance to be where I am today. Thanks to vocational education, the two years I spent in Financial Customer Services provided me with the skills necessary to be a quality employee and life-long learner.

Besides going to school and working part-time at the credit union, I also worked 4-6 hours a day as a secretary to the Training and Transition (TNT) program. I was able to compete for this position because of the computer skills and professionalism training I received in Financial Customer Services. TNT, is a program which operates with school-to-work and Carl D. Perkins dollars. It annually retrieves over 200 high-risk youth in my community off the streets and redirects them into education and training to become self-sufficient just like me. A key factor in obtaining this position was my training as a New Market Ambassador Equity specialist. This is a group of students who are trained as peer educators to help other students appreciate equity and diversity to keep New Market's campus a safe learning enviornment.

Due to my perseverance and strength, and the support of my family and New Market, I tackled the task that at one time I thought was impossible. I finished three years of high school in two years, and graduated on time with my class in 1994. I can honestly say that vocational education has changed my life. It has given me the skills, confidence and knowledge that I can accomplish anything. My life-long dream is to become a teacher; in order to accomplish this dream it takes time and money; both I have not had until now. My dream was always in my heart; in my mind that is where it would have had to stay. Until, that is, I became a part of New Market and vocational education.

This year I will use the scholarship I was awarded last year to enter college in my community. I am on my way because skills training at the high school level opened doors to a future I was prepared to live without. That is why it is so important to me to testify here today. I would really like to give to others what vocational education has given me; a goal, and the knowledge I can achieve my life long dream to become a teacher.

I am just one of the many miracles that walk through vocational education's door. My friend Krista Dougherty for example, who also works at Washington State Employees Credit Union, said "You tell them my vocational program is what gave me direction in my life"; my friend Brittany Hyers who is employed by Heritage Bank said "I would not be where I am today if it weren't for my vocational program." I could go on and on about friends that have transitioned from school to a career thanks to the relevancy provided by their vocational-technical training.

The traditional high school system does not fully prepare students for the working world. Constantly the question is asked, "Why do we have to learn this or that?" Only through vocational education does the answer become clear; students can quickly see how there classroom work is used in the real world.

I'm young and lack the experience to fully understand the complexities of money sources and politics, but I do know that special programs made possible because of such laws as the Carl D. Perkins Act, and the School-to-Work Act provide a lot of students in this country with the relevent training necessary to become contributing members of our communities and society as a whole.

Thank you for listening.

Chairman MCKEON. Mr. Sawyer?

Mr. SAWYER. Thank you, Mr. Chairman. I just want to echo your comments. Particularly the last two witnesses were compelling testimony to the importance and value of what we're here to hear about today. The first witness as well, a life recovery. When you think of the number of people who have not had your capacity to regain the sound foothold that you have, it's a tragedy every time you think about it.

Let me just ask Doctor This to follow-up on his comments.

I was going to ask you about the kind of promotion patterns that you've seen with the students who have come through your program within the credit union. Are you providing continuing learning opportunities for your folks? You mentioned the number who are prepared today to move into supervisory positions. Are they preparing largely through what they're learning in the work place and the skills that they're demonstrating there or do you have a continuing effort to continue to upgrade their skills.

Mr. THIS. Oh, we do on a couple of fronts. One is we have, I think, one of the most aggressive employee training programs of any financial institution in our area. We require a minimum of 16 hours of internal class training with our folks. Most of them average more like about 30 hours of internal classes that we offer. We also have programs that the credit union will pay for college courses to continue in things and we have a number of people who take advantage of that. Several of the people that we talked about from the Skills Center are taking advantage of those kind of things right now.

Mr. SAWYER. Thank you.

Thank you, Mr. Chairman.

Chairman MCKEON. Thank you very much.

Mr. Williams?

Mr. WILLIAMS. Thank you.

Mr. This, are you supportive of block grant concept?

Mr. THIS. Yes, I think so. We're supportive of almost anything that will work well to get the money back into assisting us to get the students training and make productive employees for us.

Mr. WILLIAMS. Let me ask you to comment for us then on one of Ms. Neifert's statements from her testimony. "If the block grant system," she said, "enables funding to flow down to the local level with fewer restrictions, the programs which exist in institutions can improve services," which I think you would agree with.

Mr. THIS. Yes.

Mr. WILLIAMS. And probably I'd agree with that. Then she says, "They will have more flexibility to serve the needs of the participant." Then she says this. "My concern, however, is for programs such as the Displaced Homemakers Program which do not have a system in place to support it. These programs exist outside large institutions. They are short-term. Continued Federal leadership in assuring that States provide services to displaced homemakers and single parents is absolutely essential." There is the rub. What do you think? States would continue the displaced homemakers program? If you got the money, Mr. This, and if your council got the money, would you continue the displaced homemakers program and do you have faith that every State would, every locality?

Mr. THIS. I would think so. I think they're sensitive to the needs of a diverse group of our citizens there and I think they would continue those programs, yes.

Mr. WILLIAMS. Ms. Neifert, do you want to further comment on your concern?

Ms. NEIFERT. Yes. Thank you. Prior to Federal regulations, that's prior to 1984 when the Federal regulations required funding for displaced homemakers, there was only 1 percent funding in this country. After the regulation there is 7 percent funding for this program. In addition, you need to know prior to that regulation there was no State match because the States were getting a clear message that it was perhaps not important.

You mentioned the equity issue. Displaced homemakers is an uncomfortable subject for a lot of people. It's a program that you hope will be not needed, will go away. Think of your own feelings when you know somebody that you know that gets a divorce or has a child and is a single parent. You're just uncomfortable and you don't know quite how to handle it. Imagine how the new displaced homemaker feels. These programs are incredibly important. They will not go away. There are millions of displaced homemakers out there and for the investment for your money you are saving families, not just one person, total families. It's the best investment, I think, that you will make and I believe that it is a part of the empowerment of families that I know you're concerned about and you need to be careful to safeguard that.

Mr. WILLIAMS. I have had the privilege of serving in both the United States Congress and the Montana State Legislature. I find concern, caring and government attempting to be wise at both of those levels, good people at both of those levels.

I also learned something else in these past couple of decades of serving in both of those bodies. People like displaced homemakers had no clout in front of the Montana legislature, zip, zero, nada, nothing. Big clout here. I don't know why. I don't know what it is, unless it's this, which the American people misunderstand to an extraordinary degree. The Federal Government's role in education is not one of improving quality, it is one of ensuring equity. It is one of assuring that the Constitution of the United States reaches to our schools. That's our job. I'm not so sure we ought to give that important role up as we move to block grants because that equity has not been the role of the States. If it was, they failed miserably for more than 200 years to meet it.

Now, should we roll the dice? Well, we're rolling the dice with Native Americans and displaced homemakers and minority. I'm not sure we ought to roll the dice. The Constitution said, "No, don't roll the dice, enforce the law."

So, there's the dilemma for me in block grants and I tend to think, with all due respect, Mr. This, for your good wisdom and years of fine service, I've got a feeling Ms. Neifert is right about this. I'm concerned that maybe we ought to follow her recommendations.

Thanks, Mr. Chairman.

Chairman MCKEON. Thank you.

There are honest differences of opinion and this is one that we will be grappling with. I think we have the same end result in mind, it's how to achieve it. I guess, as I look at it, the concern I have is that if dollars get siphoned between Washington and the local community through bureaucracy, then less money gets there to help displaced homemakers or Native Americans or whoever we're trying to help.

I think other things have happened also since 1984. I think there's a greater awareness throughout the country. I think in the communities there's a greater awareness. As you commented, there are also many more displaced homemakers since 1984. It's one of the tragedies in our society at this time. I think, as you said, how do you feel about these people, I think every one of us has if not family members, friends, close friends who are going through this. I have a very close friend right now, both the husband and wife are very close friends, going through a very bitter divorce and two children torn between—you know, every one of us could tell stories about this.

It's all a matter of how we can help and realizing what the Federal role is in this helping and then how many resources we have to help. When we have a debt rapidly approaching $5 trillion and the budget that has been given to us, looking forward another five years we'll be $6 trillion in debt. How much can we do? There is no free lunch. Who's going to pay for all of this? We have a banker here. When you add interest on top of interest, on top of interest, we're just burying ourselves. That's what we're trying to do, the most good we can do with an ever-decreasing amount of resources. Hopefully as we go through this process, we'll come up with some of the answers.

I mentioned yesterday I wish we all had the wisdom of Solomon and the strength maybe of Samson to make the right decisions to do the right things.

I want to thank you all for being here. You notice many of our Members have had to leave. There are so many different things happening here at the same time, people being called to different meetings and that's why they're not all here. I'm happy that I was able to be here to hear all of your testimonies because I think it's very helpful to me and I think those who are not here I'm sure will read the written record. It's hard to put it all exactly in the written record without feeling the emotion that goes with it, but they're not here because they chose not to be here, it's just there are so many other things pulling them in different directions.

But again, thank you for being here. Keep up the good work and keep spreading the word and we'll try to do the best we can here. Thank you very much.

[Whereupon, at 10:52 a.m., the subcommittee was adjourned.]

HEARING ON TRAINING ISSUES

FRIDAY, MARCH 3, 1995

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON POSTSECONDARY EDUCATION, TRAINING, AND LIFE-LONG LEARNING, COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES, *Washington, DC.*

The subcommittee met, pursuant to call, at 10 a.m. in Room 2175 Rayburn House Office Building, Hon. Buck McKeon, Chairman, presiding.

Members present: Representatives McKeon, Gunderson, Goodling, Souder, Williams, Roemer, Green, and Woolsey.

Also present: Representative Sawyer.

Staff present: Mary Clagett, professional staff member; Sally Lovejoy, senior Education policy advisor; Rick Jerue, counsel; June Harris, Education coordinator.

Chairman MCKEON. Good morning. I want to welcome our witnesses here today in the second series of hearings this subcommittee is holding on establishing a streamlined top quality and efficient system of workforce preparation.

Today's hearing will focus on education, particularly the Carl D. Perkins Vocational and Applied Technology Act and the School to Work Opportunities Act and what the Federal role should be in changing education, both at the secondary and postsecondary levels, to meet the global economy demands of a high performance workplace.

I apologize for the delay in getting started this morning. We had a Republican conference meeting this morning we had to attend, that I had to attend. Mr. Williams didn't have to attend that one.

I understand that Governor McKernan has to leave at 10:45 to catch a flight, so I would like to get started immediately.

So if our witnesses would come to the table. Our first panel of witnesses today are the Honorable Augusta Kappner, Assistant Secretary of Vocational and Adult Education at the Department of Education. The Honorable John McKernan, former Governor of the State of Maine, and Mr. Bruce F. Kimery, Acting Commissioner, Indiana Department of Workforce Development.

So if we could start then, Dr. Kappner, please. No, excuse me. Governor McKernan, please.

They carefully told me how to do this, and then I mess it up.

STATEMENT OF HON. JOHN McKERNAN, FORMER GOVERNOR, STATE OF MAINE

Mr. MCKERNAN. Mr. Chairman, thank you. I want to hear what Dr. Kappner has to say, so I intend to stay through her testimony anyway. So either order would have been fine.

I would like permission to just file my written testimony and summarize the points in it, if that's permissible.

I do apologize for not being able to stay for the full hearing, but I didn't want to miss the opportunity to be here, because as a former Governor, I don't get a soap box all that often any more. This is a subject that I am very interested in.

I want to congratulate you, Mr. Chairman, and the subcommittee, and the full committee, frankly, for making employment and training such an important part of your agenda, because I think it is critical to our future standard of living. I applaud your efforts.

I enjoy appearing with Dr. Kappner. We have been on a number of panels together. I think that the best thing about this issue, as you will see from her testimony, is the bipartisan nature in which this issue is being addressed. I think that bodes well, not just for congressional action, but for future employment opportunities for the people that all of you represent.

I have spent the last decade worrying these issues. The first two years were as a member of this committee, albeit by a different name. Then the last eight as Governor of Maine.

I am convinced that the 104th Congress has an unprecedented opportunity to make significant changes in the employment and training system in this country, and the kind of changes that are going to make a huge difference in the standard of living that we see at the turn of the century.

We are in a new world economy, which all of you know. What that means is that we have to be more responsive. Individuals have to be more responsive and more flexible. Businesses have to be more responsive and more flexible.

What I think that means is that the old types of categorical strings attached governmental programs are no longer going to work, because they will not be as responsive or as flexible as the individuals and the businesses and the States and communities are going to need if they are going to maximize the economic opportunities for the citizens of their jurisdictions.

In my testimony, I talk about the guiding principles that I think that you ought to keep in mind as you go through your process. Rather than go through those here today, I just want to really make three points about why I think that we need a consolidation of the various programs into what I see as two consolidated block grants.

I say two, because I think that there's enough difference between the adult and the youth needs that we ought not to have one consolidated block grant, but rather two. One to deal with adults and one with young people who need so much assistance today.

The three points that I want to make are first, you should design block grants that hold Governors responsible. I say that as a former Governor, or someone who has been very active in these programs, as someone who has colleagues who have been active in those programs, but not enough colleagues who have been active in those programs.

The way to get Governors' attention, is to hold them responsible for the receipt of the Federal funds and the results of the activities that are engaged in with those funds. That will get their attention. That will get them to hold responsible those people in the communities who are designing the way that the goals are going to be met.

Secondly, I think that we need to make sure that the private sector is setting the standards that need to be met. I chair a school to work transition organization called Jobs for America's Graduates. We have designed a youth apprenticeship program in our State. In both of those instances, the programs that have been the most successful have been those that have had a high level of employer involvement.

We need to have those who are hiring the products of our educational and training programs be the ones that set the standards on what they need in order to hire people in the coming years.

I also believe that if we have one that is private sector driven, and we have a system that gives us an opportunity to share information on what is available, what types of jobs and what kind of training. That if we can then devolve that program down into letting individuals make those choices, that they will make the right choices.

We may think that somebody taking scuba diving lessons is not a good use of Federal dollars. Well, I can tell you in some parts of our State, that is a good use of Federal dollars, because we have a growing sea urchin industry of exporting sea urchin roe in our State to Japan. That is harvested by people who are scuba diving.

I think that those types of opportunities, if they exist in a particular State, ought to be allowed. A State knows best what are the types of economic opportunities.

Finally, you have to demand accountability in these programs. I believe that the Federal Government looking to the private sector ought to be working to set what the goals are, what the outcomes are that are expected for the use of the Federal money. The private sector ought to have the laboring oar in making those decisions.

I think that we need a private sector board that would be able to determine for all of you, whether or not those goals are being met.

If we have that kind of private sector driving for continuous improvement, I think that we can then hold States to that kind of improvement. I would even suggest something in the order of a 10 percent improvement per year for five years in order to continue to receive the same amount of money.

That I think would drive accountability and that would make a huge difference in the success of these programs.

Let me just conclude by again, thanking all of you for caring. I know from my past service with Congressman Williams and Congressman Gunderson, how committed they are to these issues.

I congratulate you, Mr. Chairman, on continuing to push this issue forward.

[The prepared statement of Mr. McKernan follows:]

JOHN R. McKERNAN, JR.

TESTIMONY BY

GOVERNOR JOHN R. MCKERNAN, JR.

BEFORE THE

SUBCOMMITTEE ON POSTSECONDARY EDUCATION, TRAINING AND LIFE-LONG LEARNING

COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES

MARCH 3, 1995

Mr. Chairman and members of the subcommittee: The focus of your hearing on how best to achieve individual opportunity for life-long learning is critically important now that the entire context of the federal role in education and employment and training is "on the table."

I have been asked to address related issues to my role as Governor of Maine as well as the multiple other activities in which I have been involved in the education and training fields such as chairing the Education Commission of the States; as the current Chair of Jobs for America's Graduates -- the nation's largest, most consistently applied model of school-to-work transition for at-risk young people -- and as immediate past chair of the National Education Goals Panel.

Let me say, first, that with the advent of the 104th Congress, there is an unprecedented opportunity to review, eliminate and consolidate ineffective employment, training and education programs. We should look ahead to our changing workforce needs and design a new, comprehensive, innovative and flexible workforce development system accountable to all the key stakeholders. Current government programs have become obsolete because they are not driven by results nor accountable for success. Today's federally supported training and education programs are largely isolated in separate categorical programs and designed with no real relationship to local labor market needs. The old way of creating individual programs for specific needs and population is no longer appropriate. Under a new system, all workers employed, unemployed, and disadvantaged, would have access to a comprehensive system that delivers the education and training demanded for jobs in the rapidly changing modern workplace.

Companies, large and small, are facing the reality of a new world economy in which change is constant and accelerating, reaching every sector of our economy. To gain a competitive advantage in this turbulent environment, firms of all sizes are streamlining their businesses and becoming more efficient, more customer-oriented, and more innovative in their

☐ One Canal Plaza • P.O. Box 15213 • Portland, Maine 04112 • (207) 775-3414 • FAX (207) 775-5443
☐ 700 Thirteenth St., N.W. • Suite 1160 • Washington, D.C. 20005 • (202) 824-6013 • FAX (202) 824-6010

production and business methods.

For workers in this emerging American economy, knowledge and skills are potent determinants of their economic success. Increasingly, jobs with a future and suitable pay require education and training that many current workers, employed, underemployed, and unemployed, do not have. The link between education and earnings has never been stronger. For example, after adjusting for inflation, male workers with only a high school diploma saw their earnings decline by 14 percent since 1979. While, at the same time, college graduates saw their earnings advantage over high school graduates soar from 49 to 83 percent. Employers want employees who are technologically capable and can show competence in problem solving, team work, initiative, and communication skills. Clearly an employee's future economic security and wage gains will relate directly to the knowledge and skills possessed by the individual.

The federal role in education and training must change. With today's changing labor markets and continuous technological improvements, the federal government cannot effectively mandate services locally. The government must forgo direct management or regulation of programs, and leave decisions about how certain services are to be provided, and to whom, in the hands of state and local experts. The federal role of the future should be one of leadership, providing incentives and some financial support for state and local solutions. It should establish basic goals and be the catalyst for partnerships among the key players. It should provide accurate and timely labor market information and best practices from around the country, as well as, technical assistance.

As you look ahead, I would like to suggest that you focus, in particular, on the desired outcomes of future federal commitments to education and training.

I believe there is a vitally important role to be played by the federal government in this area. It is both a financial and a leadership role. Properly done, the federal role can help states and localities organize and carry forward their commitment to improving the competitiveness of our current and future labor force while creating a life-long learning capacity.

Principles for National Workforce Development Policies

First, I would like to suggest a few guiding principles that my experience suggests you consider when charting the future course of the federal role:

- ***Establish consolidated "block" grants.*** The goals of consolidation are to provide a responsive and easily accessible range of services that can enable customers to meet the job requirements of any local labor market, and to achieve efficiency and savings by avoiding needless duplication. If individual programs are consolidated into a single, universal system, the resulting system could not only serve special populations better by ensuring their training is relevant to the labor market, but also improve the overall skills of current and future workers. A combined grant would define a new role for states and localities that allows them to be more customer-focused and responsive to their local labor markets.

- ***Keep the Pressure and the Focus on the Governors.*** As important as the chief state school officers and others are in any state, the Governor alone has the unique ability -- and requirements of the office -- to integrate the economic development, education and job training strategies of his or her state. This is an increasingly important role in the eyes of many governors, I believe, if for no other reason than that too many of our people are fearful for their future -- and that of their children -- in the emerging American economy.

  The central guiding fact of block grants or future federal commitments in education and job training should be that the Governor be held accountable for the uses and the outcomes of the federal funds.

- ***Establish Clear and Definable Outcome Goals.*** While there are those who will argue that by setting goals, states will then organize their efforts to achieve those goals, I would argue that is precisely the point. In these tough budgetary times federal resources should have a very clearly defined purpose. Establishing outcome goals for the use of these funds gives the Governor an important set of criteria against which to judge how to utilize those funds in his or her state and to select which organizations can best achieve the goals in that state.

  Simply stated, the Governors need to know what you want to accomplish with the federal resources. Then it is appropriate to give them as much latitude as possible to meet the goals.

- ***Support the Creation of Business Defined and Supported Standards.*** As one who has chaired the National Education Goals Panel and considered the full range of education and occupational standards in our work on apprenticeship in Maine, I am a believer in standards -- standards established, supported and certified by business. The standards process is not easy. Business too often does not view standards as their responsibility when, in my judgment, they are the **only** ones who can define with any level of precision what employers require of current and future workers. Once those standards are set, they will then drive education and training institutions to help people achieve those standards. Equally important, occupational standards will give our current and future workers a clear definition of what is required for jobs and put them in a position to train to those jobs.

- ***Hold Someone Accountable for Results.*** As I suggested earlier, Governors should be held accountable for the overall results of the use of resources that the federal government provides against a clear set of outcomes to be achieved. In turn, Governors should be encouraged to hold institutions, organizations and individual staff truly accountable for accomplishing those goals. I believe one of the central failings of our educational system is exactly the lack of accountability.

- ***Assure a Level of Responsibility by the Private Sector.*** While holding Governors ultimately accountable, I believe that you should require that the voice of business be heard in those deliberations. A business oversight board should be established to be the internal judges within the state of how well the state is meeting those goals over time. Again we must find ways to make clear that business should have the decisive voice in defining the goals of the education and training system that are intended to lead to employment. They are ultimately, the consumer of that system. And the consumer's voice, as some businesses have come to learn all too painfully over the past decade, must be listened to.

- ***Support only Training for High Standards.*** School, work, and work-related training are the primary settings for learning in society and the settings where standards are used to measure the attainment of competencies. The government should support only training related to either the educational achievement standards or skill and knowledge standards driven by industry and the workplace. Eligible training providers must meet rigorous standards for quality in program content, job relevance, delivery and administration. Educational enterprises, at a minimum, must incorporate SCANS skills as a foundation. Programs established without these criteria are rarely of sufficient duration or quality to be effective, if skills are not benchmarked to high standards. Effective labor market systems rely on employers to define skill requirements. However, to maintain accurate and timely information, they must first earn the confidence of employers.

- ***Develop Comprehensive labor market information.*** Good labor market information is essential for a workforce development system to be effective. It shows where jobs exist, what skills are required to do them, and where and how to get the necessary skills. Every community should have identifiable places where people can go to get this information, such as schools, libraries, computer networks, or one-stop career centers.

Considering the options of how the federal government might approach the life-long learning process, I would like to recommend the following:

- I am intrigued with the general outlines of the proposal for adults outlined by Secretary Reich and the White House. I believe the notion of establishing vouchers--similar to the G.I. Bill--is a sound one. We should design a system that relies on markets and an individual's ability to choose. By providing vouchers and expanded access to money (either through expanded IRAs or guaranteed loans for training) individuals need to be equipped with the resources to acquire the training and career orientation and career preparation services they need in this life-long learning process. This will, as a market, drive the training system to meet their needs rather than the other way around if individuals control what is, after all, their tax money.

In the end we either believe in our people or we don't. That is not to say that some people won't make bad choices. There will certainly be the example of the person who uses a voucher to buy scuba diving lessons off the coast of Miami. Yet in the end, I vote in favor of giving the choice to individuals rather than to "presumptive deliverers" of any particular institution.

America was built on choice of occupations, religion, where to live and lifestyle.

Life-long learning must also depend on the individuals ability to understand the needs of the job market and their capacity to acquire the learning they need when, where and how they desire to obtain it.

Market-driven decisions have served this country well. They have had their mistakes, to be sure. In the end, however, they have delivered. So too will education and life-long learning markets driven by consumer choices and decisions in the context of the overall goals you set for the funds.

- As it relates to the future uses of federal resources to be devoted to young people, specifically to the disadvantaged, I come down in favor of using those resources to foster effective school-to-work transition *systems*.

In my work with Jobs for America's Graduates over the past five years I have seen just how effective school-to-work transition can be even some of our most disadvantaged and at-risk young people. Even for these populations, we have proven that 90 percent of them, in fact, successfully complete high school also more than 80 percent can have a positive outcome within nine months after leaving school ranging from jobs to postsecondary education or training to enrollment in the military--and all can be accomplished in highly cost effective ways ($1,100) per participant for 18 months of services in JAG) so long as the private sector plays the critical role in overseeing the program in assuring its connection to work.

In general, therefore, I would like to encourage the following elements of the federal role in youth programs:

- Put resources behind a strong role by the private sector to establish clear requirements for outcomes of education and job training programs to the standards of employers.

- Having said that, employers should be given incentives to participate actively by providing apprenticeship, work-based and other learning opportunities for young people in addition to the classroom instruction. It is long past time when our educational system should be distinct, separate and remote from

BEST COPY AVAILABLE

employers. The future education and job training system in America should take place, at least in substantial part, physically in places of employment as well as in the classroom.

- Once again you should establish the desired outcome goals so that Governors know what the federal resources are for. Again, these goals will give Governors a means of measuring their progress and selecting those delivery systems that can most effectively meet those goals. Some goals could include assuring young people gain skills that are approved by the private sector, that substantial percentages of learning occur in the workplace, desired percentages of young people who gain above entry-level jobs, and/or wage goals.

- There absolutely needs to be a priority placed on the at-risk and disadvantaged. This part of our population needs and deserves special attention and resources. It is good for them, it is good for the country and it is vitally important to our future competitiveness that we leave no one behind.

- And, once again, Governors should be held accountable for fashioning effective school-to-work systems. Systems that, while based in the schools, have an equal base among employers and are ultimately judged by a group of employers as to their effectiveness in meeting the requirements of employers on a consistent and regular basis.

Key Goal: 10 percent Continuous Improvement

Among the primary goals of the future employment and training system that you decide upon should be an improvement of the current outcomes as a result of the use of federal resources. Therefore, I would like to suggest that following as a method of assuring that improved performance based on the theory of "continuous improvement" that is now an essential feature of much success of American businesses:

- That a benchmark be established for each state on the desired outcome goals (such as the quality of jobs secured by young people upon leaving school with the use or support of government funds, the certification or approval of the skills by employers, the numbers of young people that have certified skills by employers, the numbers of young people who gain employment skills in the workplace, etc.)

- That a 10 percent continuous improvement for five years should be required as the primary measurement for the new federal resources. At the end of five years, therefore, there should be at least a 50 percent plus improvement in the outcome of those systems that are supported by governmental funds. That should be the primary purpose of future investments--to gain continuing improvement in the goals that you establish.

- That a private sector oversight board at the federal level be established to both help set the current benchmarks, in cooperation with governors and, separately, to report to you annually on the progress being made by each state in assuring that continuous improvement.

Just like business, we should be seeking to do steadily more with the resources available. Productivity and performance improvement should also be the cornerstone upon which the future federal commitments should be made to these areas.

One Example of a Consolidated Grant Structure.

In short, I believe the best way to achieve continous improvement is not a "block grant" with no strings attached, but rather a model which consolidates the wide array of existing job training programs for adults and youth into two block grants to be provided to each state under the personal responsibility of the governor of that state. One of the reasons for separating the grant structure for youth and adults is that the outcomes we seek are different. youth grants would have greater emphasis on school-based competencies and services and may be tied more directly to in-school program strategies. Adult grants would have more emphasis on the skills and competencies driven by the workplace.

Adult Block Grant -- Workforce Adjustment Block Grant. Consolidates programs, such as JTPA Title II-A, Title III and all other existing dislocated worker programs, including Trade Adjustment Assistance (TAA). Through state and local entities, such as one-stop career centers, monies would be made available directly to individuals for skill upgrading and training, as well as, job counseling and assessment. Individuals enrolled in the programs would agree to maintain and meet certain outcomes, such as skill certificates or job placement. Total discretion would be given to the states and localities in designing and operating the delivery of services as long as the programs meet specific and quantifiable outcomes mutually agreed to by the federal government and states. Disadvantaged populations would be served in proportion to their representation in the local population. One idea connected to the Administration's proposed GI Bill of Rights is the idea of using "voucher" mechanisms for certain workers to obtain the best training available through consumer choice and market forces. This puts funds in the hands of the individual needing training rather than in bureaucracies. Use of the vouchers would be guided by workplace-related standards, and information could be available to the client through one-stop career centers about which training institutions or service providers can teach to those standards.

Youth Block Grant -- School To Work Adjustment Block Grant. Consolidates programs, such as JTPA Title-B, Title II-C and Perkins vocational education programs, into a large comprehensive block grant for all youth. The block grant would be used to advance the development of school-to-work systems designed and operated by states and localities. Programs would be designed to increase educational achievement or obtain a job placement. All services provided under the youth block grant would relate either to academic achievement standards or workplace requirements/standards. Youth receiving any services under such a block grant would be expected to assume responsibility for meeting either educational or workplace requirements. The block grant would provide states substantial flexibility to integrate academic and vocational education reforms.

The federal government should establish clear purposes for the use of federal resources in these areas and then hold governors accountable for accomplishing those objectives.

In turn, governors, state legislatures, educators, trainers, and, most importantly, the private sector in turn should be held accountable by the governor to meet those requirements and demonstrate a continuous improvement in the use of these governmental resources.

With this approach, you and your colleagues here in Congress will be establishing a system that is likely to last for decades to come.

Mr. Chairman, I would be happy to answer any questions you may have.

Chairman McKEON. Thank you very much. Mr. Williams has suggested that since you do need to leave, that maybe we could use the time now to get the questions that we have for you, so that we don't lose that opportunity. If that would be all right. Mr. Williams.

Mr. WILLIAMS. Is that all right with you?

Mr. McKERNAN. Sure.

Mr. WILLIAMS. We were uncertain how long you could stay. I know how schedules are.

Thanks a lot for being here. It's nice to see you again. We are following your good work back in your State. I commend you on your leadership there, including in education.

You gave us a clear message toward the end of your statement here with regard to definable outcome goals and accountability, you mentioned with regard to the private sector. Should that also reach to the States? If we are going to give the States the money, should they have to meet definable outcome goals and demonstrate certain accountability standards to the Federal Government in as much as it is Federal taxpayer money?

Mr. McKERNAN. Absolutely. That is why I say that I believe that you have to hold the Governors responsible. They are the ones that have the position. I never appreciated sort of the power of that office until I was in it. Therefore, if you can get the Governor's attention, the Governor can make those things happen.

You need to hold the States responsible. But I think that the States have to understand, and you maybe can set the framework here, that it ought to be private sector standards that are established with the States and with the Federal Government, and then hold the States responsible, and really literally tie the money to their successfully meeting the benchmarks.

I would not set a national standard. I would look at where all the States are now. What we need to do is have everybody move forward. Let's just accept the fact some States have done a better job to date than others. That ought not to be held against States, in my view. We ought to look at where they are.

We ought to say, we want everybody to improve. We are going to work with you to set your standards. Then we are going to hold you to them, because it is Federal taxpayers' dollars. We are not going to just hand it out unless we are seeing some results.

Mr. WILLIAMS. The dilemma, Governor, as you know from both your service here and in the State House, the dilemma for the Federal Government with regard to education is that our standards reach to equity, not necessarily to quality of the schools.

You all decide what quality of schools you want back home. Then it has been the Federal role through the years to say now every student should have an opportunity to experience the quality of that school.

So in order to meet through the years what has been your and many Governors before you, insistence that there be clear standards, we adopted set-asides. We said, look, it is very clear that this Nation does not treat displaced homemakers equitably with regard to vocational education. It is very clear we didn't treat Native Americans equitably.

So we said in effect to States, here's a set amount of money. If you have displaced homemakers, go into that pool and take care of them.

Now, the dilemma for many of us who kind of believe in block grants, has always been how do we require States to carry out what has been the Federal goal, not of quality but of equity if we no longer have set-asides.

What do you think?

Mr. McKERNAN. I think that you have to look at what are the outcomes that you are looking for, and how can we best use the resources.

I am a great believer that the country has a tendency to swing on a pendulum. When the Federal Government believes that the State Government is not adequately addressing needs, they get overly involved. Finally, they carry it to an extreme and then we have to sort of move back.

I think that we have enough experience with categorical programs now, that States will be able to look at all they have been doing in the different categories, and they will be able to decide what is the most important for the use of the money that they have, in order to meet their needs.

I think that what you can do is then make sure that individuals that meet certain criteria do have options, but don't set the categories the way you have in the past. Rather, give individuals an opportunity to get those resources and then make their own decisions.

I think that that's the kind of program that we need to do. Is let the States decide who it is among those who are in need, that they need to help the most.

Then set your standards. Then keep reviewing it. That's why I said there ought to be a private board that looks at what the results have been, so that you can monitor what is happening.

Then if it turns out that there are certain categories of people across the board whose needs are not being met that you in Congress feel need to have a specific program, then you can address that. But it is really important to look at it.

Mr. WILLIAMS. Let me ask you one other quick question. Our time has almost expired.

Many States have constitutions that set, in the basic law of that State, governance standards for education. Block grants are such that they may negate those constitutional governance issues.

That is a problem that bothers both sides of the aisle. We are not sure how to come around that one.

Mr. McKERNAN. Coming from a State that doesn't have those kinds of criteria, I would suggest simply that if you send block grants, the State will in fact set its priorities based on its constitution and what the constitutional needs are.

That may mean that they will use funds in a way that you would not particularly use them in your State, but it will be the way they will use them, based on their own governing structures.

So I think that by freeing up block grants, in fact that will help the States, but it may not meet the specific categorical ideas that some of you have on this committee or in Congress.

Chairman McKEON. Thank you. Mr. Gunderson.

Mr. GUNDERSON. Thank you, Governor. I was sitting here and I was reflecting on the fact that now that you are no longer Governor, and that your wife is no longer a Member of Congress, why don't you run for Congress again?

Mr. MCKERNAN. Because we have a great new congressman from our district.

Mr. GUNDERSON. Oh, okay. That's a good answer. I'm not going to get into that.

I want to follow up, just as I did two days ago at our first hearing on this issue, to Mr. Williams' questions. I guess this is not just for you, but for all three of you.

Everybody is committed to this concept of block granting of some type. But I plead with people, and I support the block grant concept, consider the problems we have had with performance standards in the Job Training Partnership Act.

If you think that was difficult, how in God's green earth are we going to develop performance standards here in Washington as a part of this Act.

I mean, I like what you say in your statement, but I have to say, you don't tell us the next step. Okay, what are those accountability performance standards that we ought to be writing into this block grant so that one, three, five years from now, the Congress can come back and look at that and determine whether a State did or did not meet them.

I mean, when you are doing a block grant, I don't know that job placement, for example, is a correct performance standard. That would absolutely guarantee creaming rather than dealing with the very focus of the broad-based training constituency that we need.

So we really need help. I'm not saying you have got to give us an answer today. But you all are testifying. That group on Wednesday was testifying. That obligates you to come back to us, I think, with some specific recommendations in this particular area.

If you want to comment on that now, I'd be happy to listen.

Mr. MCKERNAN. Let me just briefly comment on it. I would enjoy the opportunity to work with you, because I think you have identified what is always the difficult problem in block grants. That is, how do you set standards that are really outcome oriented, and don't micromanage the system.

I believe that though they have to be general, and you have to look at what it is you are trying to accomplish with the money, an almost output oriented, not input oriented, and establish the standards on what is a quality job, how many people are getting them. Gather the information with general goals. See how the States are managing that.

Then, as you go along, decide whether you need more specific standards, as currently exist in a lot of the JTPA programs. I think that those performance standards are too cumbersome. I think that States ought to be freed up to do more with the money.

What you want to do, it seems to me, is look at a broader range of what is it we are trying to accomplish with these funds. What types of people are we trying to benefit. What is it that we want them to have an opportunity to do, if they use these Federal funds.

Then, see what you get from the State, because otherwise, you are going to start, even with a block grant, to start setting standards that are going to again, hamstring exactly how those funds are spent at the local level.

It is a challenging task, but I would urge you to try to gather data and set broad standards rather than trying to get into a block grant program, which then goes in underneath it. Set so many performance standards that it in fact becomes a de facto categorical grant.

Mr. GUNDERSON. My problem isn't what we get from the Governors. My problem is GAO.

The GAO doesn't do the same kind of an audit on this block grant that they have done on the Job Training Program, where they say that there's no readily defined goals, and there's no way that we can determine whether Maine or Wisconsin or California or Montana used their funds correctly or incorrectly.

Now, I mean, part of the problem is GAO. If it isn't easily audited, they don't like it. I understand that problem.

But on the other hand, when they do an indictment, as everybody in this room knows, GAO is considered one of the few independent, bipartisan and non-partisan agencies around here that does analysis for us.

If they say it's broke, you can spend all your life trying to argue with them on that, and you are going to lose. So we need some help.

Let's, in the remaining time, you suggest a couple of block grants. I don't disagree with the ones you have got, but how do we deal with the special populations? How do we deal with the vocational rehabilitation situation? Do we put that into the basic block grant or not? Any advice?

Mr. MCKERNAN. Remember, you are hearing from a Governor. My view is that you put those programs in the basic block grants, and you tell the States to address the needs of those populations.

I can assure you, that we have people in Maine who are just as concerned about those populations as any of you in Congress.

When the Federal Government has a mandate as part of the block grant to deal with those populations, they will do it in the way that they feel is best for the people in that State. There will be all sorts of public input, and there will be pressures on both sides. They will come out with a decision that is right for that State.

I think that it is important that it be understood, and those are the kind of criteria that I think are appropriate. What isn't appropriate, it seems to me, is 1,850 pages of exactly how you are going to do it.

Mr. GUNDERSON. Thank you. Thank you, Mr. Chairman.

Chairman MCKEON. Thank you. I am not ignoring Mr. Sawyer. He is not a member of our subcommittee, but he has been very faithful in attending our meetings. We try to let him question all the time. But today, in the interest of time, that's why I am skipping him. I appreciate him being here with us. Mr. Souder.

Mr. SOUDER. No questions.

Chairman MCKEON. Let's go on then to Dr. Kappner. That way, Governor McKernan will be able to hear your testimony also.

STATEMENT OF HON. AUGUSTA KAPPNER, ASSISTANT SECRETARY OF VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION

Ms. KAPPNER. Thank you. Chairman McKeon, Congressman Williams and members of the subcommittee, I really appreciate this opportunity to discuss our proposal to reform vocational education and to strengthen and continue the development of school to work systems.

You have my written testimony, so I will try to summarize it in the order that it's written, within five minutes.

Last week, I had the opportunity to meet with six young people from Future Farmers of America. These were young men and women who clearly represent the future of agricultural careers in the 21st century. Careers that include being technicians, electrical engineers, environmental engineers, managers and communications specialists. All careers with agriculture, but all challenging careers.

Their experiences that they had in learning were very different from what most people think of as vocational education. Their academic studies had been quite rigorous. They had been organized around a career major that exposed them to many aspects of the agricultural industry.

They had experienced what employers tell us that most young people are going to need to experience to prepare for the rigor of today's workforce.

In recognition of this change in the needs of the workforce, the President and Congress joined together in a bipartisan fashion to pass the School to Work Opportunities Act in 1994.

The School to Work Opportunities Act provides venture capital to States to build comprehensive school-to-work transition systems and to restructure the learning experience for all students. It expands the learning environment to include work settings, a dramatic change.

The School to Work Act is not another program. It is an investment in change, and an investment in reform.

Building school to work systems are hard. They require reinventing our schools. Requires engaging large numbers of employers as teachers, mentors, providers of work-based learning opportunities and career exploration opportunities.

It requires developing curricula that integrate academic and vocational instruction. It requires creating new relationships between education and labor departments, between schools and out-of-school programs.

It requires developing skill certificates to link high occupational academic standards, and figuring out what skills you need to be taught.

In developing our proposal for the restructuring of vocational education, we paid close attention to the findings of the National Assessment on Vocational Education, and to the work of the National Center for Research in Vocational Education.

As a result, our proposal is targeted to developing high quality school-to-work systems that ensure that all youth achieve the academic and technical skills that they will need for careers and further education and work.

I would like to share some of the details of our proposal in very abbreviated form. First, we will encourage States to use their vocational education elementary and secondary education and Second Chance Program dollars to develop comprehensive school to work systems.

Second, we will eliminate virtually all of the set-asides. In all, we will consolidate 24 different programs in the current 23 different programs, in the current Perkins Act. We will keep the program for Indians.

Third, we are proposing just two funding streams, a State grant and a National Program authority. We will be proposing to increase the amount of formula-driven funds which move from the State level down to schools and colleges.

Fourth, we propose that vocational education support the development of the in-school initial education part of school-to-work systems.

Fifth, our proposal takes a new approach to meeting the needs of special populations by emphasizing quality and not just access for all students.

Sixth, we will no longer require separate State boards of vocational education or separate State advisory councils.

Seventh, our proposal would give States the waivers necessary to facilitate the development of truly comprehensive education systems.

Eighth, we propose to collaborate with the States and the Secretary of Labor to develop a system of performance measurements that would really ensure accountability and provide the kind of information essential on program success.

Federal funding constitutes less than 10 percent of vocational education spending, but it is vitally important in promoting reform. As vocational education changes around the country, we must support that.

Several months ago, I visited an aerospace career academy linked to a high school in California. I saw there young people who might otherwise be not interested in school. They were totally emersed in the joy of learning math and science, no less. They showed me how their math was related to what they were doing in their internships. They had internships at jet propulsion labs. They were clearly preparing for careers and for learning for the rest of their lives.

We are confident that the proposal that we are structuring will support the development of such new and exciting learning environments as a part of school to work systems that will allow all youth to reach their full potential.

We are ready to roll up our sleeves and to work with the committee in all the ways possible, to create these significant improvements in vocational education.

Again, I thank you for the opportunity to be here. I am ready to answer any questions that you might want to raise about our proposal.

[The prepared statement of Dr. Kappner follows:]

DEPARTMENT OF EDUCATION
Statement by
Augusta Souza Kappner
Assistant Secretary of Vocational and Adult Education
March 3, 1995
House Subcommittee on Postsecondary Education,
Training and Life Long Learning

Chairman McKeon, Congressman Williams, and Members of the Subcommittee, thank you for the opportunity to discuss our proposal to reform vocational education and how this reform will contribute to the development of State and local school-to-work opportunities systems.

Last week, I had an opportunity to visit with six national leaders of Future Farmers of America (FFA). To me these young men and women represent both the past and the future of vocational education in America. They represent the past because the original federal investments in vocational education -- the Land Grant College Act of 1862 and the Smith-Hughes Act of 1917 -- were intended to educate and train young people for careers in agriculture and technical education. But, they represent the future because agricultural education of the 1990s is geared for the 21st century. The young people visiting my office -- all college students -- are headed for careers as technicians, environmental engineers, managers, lawyers, communication specialists, sales representatives -- jobs all related in some way to agriculture, but representing the wide variety of careers that young people interested in that sector may pursue.

As I talked with these students and learned about their high school course work, I realized how very different their experiences were from what so many people think of as traditional vocational education. Their academic studies in high school were rigorous. Their studies were organized around a career major that exposed them to many aspects of the agricultural industry. As part of their school-based studies, they worked with their academic and vocational high school teachers, counselors, and mentors on projects related to their career interests. Each student also participated in work-related learning experiences outside of the classroom and in leadership development activities with FFA. And, each student was well prepared to pursue postsecondary education and jobs with long-term career opportunities. These students experienced the best that vocational education has to offer.

The 1990 Perkins Act reauthorization reflected the principles of learning that underlie the positive experiences of the FFA students. These are the same principles that cognitive science research now confirms are powerful contributors to the learning process. They include learning by doing, learning in context of something that interests the student, and learning under the guidance of an expert.

The best vocational education today builds on these powerful learning principles to prepare young people for the careers of tomorrow. I have talked about agriculture, but I could relate similar stories about what I see happening in such newly emerging, diverse vocational education majors as aerospace, environmental science, manufacturing technology, health technology, electronics, and computer science -- to name a few. Vocational education is changing.

The change taking place in vocational education is directly related to the rapidly changing needs of today's economy. Jobs are requiring a higher level of academic and technical skills. Employers are telling us clearly that too many young people cannot meet the rigorous demands of today's workforce. To keep America competitive in the global economy, we must educate our young people to much higher standards and prepare them to be lifelong learners.

In recognition of these emerging labor market needs, innovative educators in schools and community colleges throughout the country have joined with committed employers to begin changing vocational education. A good deal of credit for initiating these changes rests with the Congress and this committee. In 1990, the reauthorization of the Carl Perkins Act promoted four key reforms for vocational education to respond to new labor market demands: (1) increasing the academic achievement of vocational education students, (2) integrating academic and vocational education, (3) strengthening the linkages between secondary and postsecondary education, and (4) broadening the focus of vocational education from narrow occupations to career opportunities. Through the new Tech Prep program and innovations in the basic state grant, Congress laid the foundation for vocational education reform. As we have learned from the National Assessment for Vocational Education, these reforms are beginning to take hold.

As the 1990s began to unfold, however, we began to see that our nation needed a much more drastic reform of its education system to prepare young people adequately for future work.

In recognition of this fact, the President and Congress joined together to pass the School-to-Work Opportunities Act of 1994. This Act provides venture capital to states to build comprehensive school-to-work transition systems and to restructure the learning experience for all students. The School-to-Work Act expands on the major reforms in the 1990 Perkins amendments, but it goes beyond vocational education courses to include students in general education, college preparatory courses, and school drop-outs. It expands the learning environment to include work-based settings.

The School-to-Work Act is not another program. It is an investment in change. The United States has never had a comprehensive school-to-work system. Building such a system requires reinventing our schools. It requires engaging large numbers of employers in the education process -- not just as advisors, but as teachers, mentors, and providers of work-based learning and career exploration opportunities. It requires developing curricula that integrate academic and vocational instruction in the classroom and at the worksite. It involves creating new flexible governmental relationships between education and labor departments and between schools and second-chance programs for school dropouts. It requires developing skill certificates linked to high occupational and academic standards and figuring out with employers the knowledge and skills that need to be taught in the classroom and what can be most effectively taught at the worksite. States that are actively engaged in this work tell us candidly that it is tremendously rewarding for students, teachers and employers -- but that it is also complex and challenging.

To build this system, States get school-to-work planning grants and then -- as they are ready -- apply for one-time, five-year implementation grants. Currently, eight states have these implementation grants and with another twenty states to be funded this year. We expect that all states will have implementation grants by 1997. These grants start out small, increase in the middle years, and decline toward the end of the five-year period. Congress made clear in the law that it expects states and communities to use their own funds, as well as funds from the major federal education and training programs, to continue to build and sustain school-to-work systems once the Federal support is phased out by the year 2001.

The strategy of providing "leading-edge" states with venture capital grew directly out of discussions with states and our experience in operating pilot projects prior to enactment of the school-to-work law. States told us this was hard work. They told us that providing time and extra resources to build new partnerships and lay the ground work for systems development was important. They stressed the need to build on existing models such as Tech Prep, youth apprenticeship, and career academies. They urged us not to adopt a one-size or one-timetable fits all strategy. They urged us to nurture reform. We listened and are still actively listening to states at all stages of development.

These School-to-Work strategies and systems that every State is putting in place provide the organizing principles around which the Administration has crafted the youth component of its G.I. Bill for America's Workers. The President proposes helping States, communities, and the private sector to completely restructure the primary Federal youth training and vocational education programs. To accelerate the reform of youth workforce preparation already underway in pioneering State and localities, the President proposes consolidating $2.9 billion in federal youth program funding to support school-to-work efforts. States and localities would be able to combine JTPA youth funds with resources provided from the Perkins Act, the Elementary and Secondary Education Act's Title I, and the School-to-Work Act.

The President's proposal to reform the federal investment in vocational education is a key component of the G.I. Bill for American Workers. It is designed to advance the development of school-to-work systems from the local level up and to build on the experience we have gained over the past four years since the passage of the 1990 Perkins amendments.

In developing our proposal, we paid close attention to the findings of the National Assessment for Vocational Education (NAVE), to the work of the National Center for Research in Vocational Education, and to leading vocational educators who are advancing reform efforts at the state and local level. The NAVE tells us -- and these findings are supported by other researchers and practitioners -- that:

- Vocational education can have a positive impact on students. High school graduates who complete a coherent sequence of vocational courses in an occupational area are more likely to find training-related jobs, earn more in these jobs, and are less likely to be unemployed over time. This is true for secondary and postsecondary vocational students alike.

- Vocational education has a significant positive impact on the job prospects of disabled students.

- Most of the formal computer training provided for high school students is done by vocational education.

- Employers that work with vocational education give it high marks.

- Federal funds -- although they represent only a small percentage of spending on vocational education -- have a direct impact on state and local activities. Districts that receive Perkins dollars are much more likely to actively implement reforms.

We know that the quality of vocational education must be improved, especially at the high school level. Special populations are too often concentrated in programs that do not adequately prepare them for careers or postsecondary education. In too many programs, academic and occupational requirements are neither sufficiently challenging nor adequate for the needs of employers. Teachers need more training to integrate academic and vocational studies. They also need more exposure to today's workplace.

Our proposal builds on the strengths of vocational education and addresses its weaknesses. It is designed to use federal investments in vocational education to build school-to-work systems from the bottom up in schools and community colleges. It is designed to greatly streamline governance, funding, and program requirements while at the same time improving accountability for results, and strengthening school-business partnerships. Our proposal is designed to give States and localities flexibility to integrate vocational education reforms with broader school reform efforts.

Our goal is to use the federal investment in vocational education to develop high quality school-to-work systems that ensure that all youth achieve academic and technical knowledge and skills that prepare them for careers and future learning.

I now want to share some of the details of our proposal to restructure the federal investment in vocational education.

First, we will promote the development of comprehensive school-to-work systems by encouraging states to submit a consolidated plan that shows how their vocational education, elementary and secondary education, and second-chance program funds contribute to the development of school-to-work systems and state and local school reforms.

Second, we are eliminating virtually all of the set-asides for separate programs. In all, we will consolidate 23 set-asides and separate demonstration projects currently mandated in the Perkins Act. The set-aside for Indians will, however, remain because of the Independent federal relationships with Indian tribes. Tribal governments currently have the authority under the Indian Employment, Training, and Related Services Demonstration Act (P.L. 102-477) to consolidate these funds with other job training funds into the systems that best meet their needs.

Third, we are proposing two funding streams -- a state grant and a national program authority. More of the formula driven state grant will be distributed to local education agencies and postsecondary institutions than in the current law. States will retain some funds to support statewide activities that complement the development of school-to-work systems. The NAVE and our own experience has found that state-wide activities can be very effective in promoting reforms. A clear example of this can be found in state efforts to develop Tech Prep systems, encourage vital links between postsecondary systems and high schools, and support curricula and teaching reforms that can be used by schools throughout the state.

Fourth, we are proposing that vocational education support the development of the in-school part of school-to-work systems. Funds would primarily support school efforts to provide high-quality, integrated academic and vocational education, emphasizing the development of cognitive skills, broad technical skills, and understanding of various aspects of industries and businesses. The new Perkins Act would also promote school development of coherent sequences of related academic, occupational, and/or integrated courses, moving from basic to more advanced courses for program completion and certification. Funds would be used to link classroom and work-based instruction, and secondary and postsecondary courses, enhance career exploration and guidance, and timely information on progress toward program completion and certification.

Fifth, our proposal takes a new approach to meeting the needs of special populations who participate in vocational education. We have learned from the National Assessment that special targeting designed to improve the quality of services to students who are disabled, disadvantaged and limited-English speaking sometimes can have the opposite result. Some schools retained students in fairly low-level courses to meet targeting requirements. We want to reverse this trend. Our approach is to start from the premise that we are preparing all students for success. We will direct resources to schools with high concentrations of special populations, but we will not require narrow targeting within those schools. We will stress program improvement and accountability for high achievement for all students. States will oversee and ensure results for members of special populations. Communities can continue to use funds to provide supportive services to members of special populations to ensure their success.

Sixth, we propose to reduce administrative and governance requirements. The Federal government will no longer require states to maintain a separate State Board for Vocational Education or a separate State Advisory Council. States will be able to develop governance structures and mechanisms for participation that meet their particular needs.

Seventh, our proposal will permit the Secretary to grant States a waiver to facilitate the development of comprehensive education systems.

Eighth, we are proposing to collaborate with the states and the Secretary of Labor to develop a system of performance measurements to ensure accountability and provide information on program success that will inform program improvement and future investments. This system should be consistent with school-to-work and the Job Training Partnership Act and should reflect state academic content standards and occupational standards developed by business and industry.

What will be the outcome of this proposal? States will see a dramatic change in the way the federal government does business. State Education Agencies will receive one stream of funding, instead of the 4 major grants they now receive. They will continue to have the flexibility to allocate funds between secondary and postsecondary institutions to meet their needs. However, accounting and reporting requirements will be vastly simplified. States will still maintain a strong role in gathering information and making improvements in gender equity and equity for disabled and disadvantaged populations. However, specific mandates and set-asides will be eliminated. States will also have a strong leadership and accountability role to play, but they will have much more flexibility to promote quality and achievement on a school and system wide basis.

Local schools and community colleges will also have much more flexibility in the use of resources to promote educational reform. They will be encouraged to engage in joint planning to promote the development of school-to-work systems and support local school reform efforts.

And they will have much more flexibility to bring resources to the table to develop school-to-work systems that meet local needs. All around the country, schools and community colleges have been building effective partnerships through Tech Prep; our proposal will strengthen these partnerships and encourage their use for all programs.

At the national level, we propose a streamlined program of carefully designed research, demonstration, and technical assistance efforts to complement the development of school-to-work systems. We will focus on the development of career majors, the integration of academic and vocational instruction, professional development, the promotion of peer-to-peer technical assistance, and networks of schools that can learn best practices from each other. We propose continuing the work of the National Center for Research on Vocational Education and the National Assessment of Vocational Education. All our national activities will be closely linked with school-to-work and with research conducted by the Office of Educational Research and Improvement, the Department of Labor and the states to avoid duplication and to build on the experience and knowledge gained from these related investments.

In closing, I would like top reiterate that the School-to-Work strategies and systems that every state is putting in place provide the organizing principles around which the Administration has crafted the youth component of the G.I. Bill for America's Workers. Under this proposal, every state will be able to use all its vocational education and JTPA youth dollars to expand its School-to-Work system and to make it the keystone of the Nation's investment in the workforce of the future.

Let me emphasize that although federal funding constitutes less than 10 percent of total funding for vocational education, it has been vitally important for helping states and localities promote reform. Mr. Chairman and members of the committee, I opened my remarks with an example of how agricultural education has changed since the late underlie to a field that has caught up with the times, and is now focusing on preparing students for the 21st century.

I want to add that vocational education is changing in many communities all across

America. Several months ago I had the opportunity to visit an aerospace career academy, linked to a high school, in California. I saw young people who might otherwise not be interested in school, totally immersed in the joy of learning math and science. I saw them solving complex math problems. They were able to show me how the math they were working on applied to the science project they were developing through their internships at the Jet Propulsion Lab. They were using their heads and their hands. They were being fully prepared for productive careers and further learning throughout their lives. We are confident that the reforms we are proposing for vocational education will support the development of such new and exciting learning environments. These reforms will also help create new school-to-work systems so that all of our children can reach their full potential.

We stand ready to roll up our sleeves and work with the Committee to advance legislation to support significant improvements in vocational education. Thank you again for this opportunity to appear before you. I will be happy to answer any questions that you may have.

Chairman McKEON. Thank you, Dr. Kappner. Mr. Kimery, please.

STATEMENT OF BRUCE F. KIMERY, ACTING COMMISSIONER, DEPARTMENT OF WORKFORCE DEVELOPMENT, INDIANAPOLIS, INDIANA

Mr. KIMERY. Chairman McKeon, Congressman Williams, Members of the subcommittee, thank you for this opportunity to share with you the progress Indiana is making in the development of our workforce.

I would like to highlight the systemic change that is happening in Indiana with our school to work system.

The Department of Workforce Development was established by Governor Evan Bayh through Executive Order in 1991 and by State Statute in 1994. The Department is charged with the administration and oversight of the Job Training Partnership Act Program, Wagner Peyser, Unemployment Insurance, Carl D. Perkins Vocational and Applied Technology Education Act, State Occupational Information Coordinating Committee, and Workforce Literacy.

Just as the Department has combined its resources, programs and services are being integrated with and among schools, institutions and our local offices to form a single system of workforce development.

Indiana's system is customer focused, results-oriented, localized, transparent, and flexible. Indiana has a Human Resources Investment Council. Prior to its activation, the Department already had a School to Work Advisory Committee that was broad-based and had done such excellent work. The people were so dedicated that that committee still functions as an adjunct to the HRIC Task Force on School to Work Initiatives.

The Governor testified about development of private sector standards. Within Indiana, it's been created a Workforce Proficiency Panel that identifies and sets a sense of skills, technical proficiencies for Indiana's major occupations.

This standard setting process relies on input and expertise of owners/employers, incumbent workers, and educators. All of Indiana's publicly funded education and training will be benchmarked to these high standards.

In addition, this committee has designed a certificate of technical achievement to function as an open transcript. These certificates warrant the applications of knowledge and skill both over time, across learning venues, for example, classroom, work-based learning, employment experience, employer-sponsored training.

These cumulative certificates of achievement can follow the learner/worker from high school into technical preparation, technical college or occupational education and throughout their career.

The vehicle that is being used to implement much of this within the State of Indiana is Workforce Partnership Plans. These plans follow guidelines jointly developed by the Department of Education, Commission for Higher Education, and the Department of Workforce Development.

The opportunity for experimentation and local innovation foster ownership in this process. These plans represent collective and collaborative program development among all the partners in a given geographical area. The partners determine that geographical area.

One of the key partners within this process are our local Workforce Development Offices. These offices play an integral role by providing an array of labor market occupational and other information dealing with workplace and the workforce.

These offices are the foundation of our one-stop career centers. It is our goal that customers view these centers as a valued resource that is used throughout their lifetime, and not just the unemployment office.

In terms of recommendations about block grants and how they should be addressed, going back to the question that was raised earlier, JTPA is a block grant, but from an operator's viewpoint it is about 10 or 11 vertical stove pipes. It's very difficult to move money. It requires too many reporting requirements.

Federal reporting requirements and accountability should be applied to the full block, not subsets within a block. Federal performance measures should be applied to the blocks, should focus on outcomes and not processes.

Block grants should enable States to meet the needs of all people, not only individuals with certain eligibility criteria.

The mission of a block grant, not demographic status of the applicants, should drive service delivery. Block granting will have significant impact on State systems.

In Indiana, we have in essence, already been through that process with the integration of all the services within one department.

You must realize that effective change will take time. We encourage the continuation of the National Skill Standards Project and the implementation of the National Skill Standards Board. This is a very appropriate role for the Federal Government.

We believe the School to Work Opportunities Act is the right direction to achieve education reform and economic development. The two go hand in hand.

Its venture capital concept should be maintained. Put the capital out there to initiate the change, and the other funding is used to maintain the programs.

That concludes my testimony, sir. I would be happy to answer any questions.

[The prepared statement of Mr. Kimery follows:]

Testimony of
Bruce Kimery, Acting Commissioner
Indiana Department of Workforce Development
Indiana Government Center South, SE 302, 10 North Senate Ave.
Indianapolis, Indiana 46204
(317) 232-7670

Before the United States House of Representatives
Committee on Economic and Educational Opportunities
Subcommittee on Postsecondary Education, Training and Lifelong Learning

March 3, 1995

Chairman McKeon and Members of the Subcommittee on Postsecondary Education, Training and Lifelong Learning, thank you for this opportunity to share with you the progress Indiana is making in the development of our workforce.

Challenges often result in opportunities. Because of changing technology, many incumbent employees do not possess the complex skills needed to match job requirements. This situation is compounded by the aging of the workforce. In the next ten years, 450,000 Indiana employees are expected to retire. In this same time period, only 310,000 new workers will enter the workforce. We must not be complacent and believe that we have ten years to address this situation.

Indiana Department of Workforce Development

In 1980, more than 17 state agencies and organizations spent more than $500 million annually to train Hoosiers for the workforce. No coordinated state-level system existed to provide efficient and effective workforce development services to Indiana citizens. The system was fragmented, human and financial resources were often duplicated. Today Indiana is moving aggressively toward a system which recognizes the interdependence of workforce development and economic development.

Established by Governor Evan Bayh's Executive Order in 1991 and by state statute in 1994, the Department of Workforce Development was formed to streamline the system and improve customer service. The Department is charged with the administration and oversight of the Job Training Partnership Act, Wagner Peyser, Unemployment Insurance, Carl D. Perkins Vocational and Applied Technology Education Act, State Occupational Information Coordinating Committee, and Workforce Literacy. This Department enhances Indiana's ability to pool human and capital resources to deliver cost efficient and effective services.

Just as the Department combined its resources, programs and services are being integrated within and among schools and institutions and local offices to form a single system of workforce development. (See Attachment)

School-To-Work

In 1992, the Indiana legislature established a comprehensive framework to institutionalize the state's workforce development strategy for school-to-work.

The Indiana Workforce Legislation

- requires career plans;
- eliminates the general education track;
- sets the same high academic standards for all students;
- assesses against those standards through the comprehensive

Indiana Performance Assessment for Student Success (IPASS);

- provides for remediation;
- gives students opportunities to gain technical and academic skills identified by business, industry and labor as crucial for success in the workplace; and
- establishes portable skill credentials. (See Attachment)

In addition to the development of state initiatives, for the past three years we have assisted in the development of the Governor's "Meeting the Challenge" report on the state's progress toward aligning our state's activities and outcomes to the Goals 2000 Educate America Act.

Since its inception, the Department of Workforce Development has been committed to the involvement of all stakeholders and customers in policy and system development. The following groups provide ongoing direction for the school-to-work system. (See Attachment)

- Human Resource Investment Council

  Thirty members representing business, industry, labor, education, local and state government serve on Indiana's Human Resource Investment Council. Commissioners from Higher Education and Workforce Development, the Executive Directors of the Department of Commerce and the State Student Assistance Commission, the Superintendent of Public Instruction, and the Director of the Economic Development Council serve as ex-officio members. Other key players include the State Board of Education, the Commission on Vocational and Technical Education, the Standards Task Force, and the Workforce Proficiency Panel.

According to state law, the Council is responsible for evaluating, monitoring, advising and providing recommendations to the Governor concerning Indiana's human resource development system. The Council serves as the advisory body required under the Job Training Partnership Act, Wagner-Peyser Act, Carl D. Perkins Act, the Adult Education Act and Indiana's Office of Workforce Literacy.

The School-to-Work Committee of the Council works closely with the Department of Workforce Development which has been designated by the Governor as the lead agency for the school-to-work system.

- School-to-Work Advisory Committee

  More than fifty individuals representing business, industry, labor, state and local government, community-based organizations, parents and educators work together to provide guidance on the development and implementation of Indiana's school-to-work system.

These two groups of key stakeholders provide formative guidance for school-to-work issues of professional development, local partnerships, and educator and workplace mentor certification.

The mission of Indiana's school-to-work system is to ensure that every Hoosier student graduates from high school with the knowledge and skills necessary to succeed in high performance workplaces; master challenging postsecondary curriculum; and engage in life-long learning.

Because of our efforts, many elements of an effective school-to-work system are already in place. Parents, students and educators are thinking about career options for students and preparation for those careers earlier.

For the first time in Indiana history, the State Board of Education, the Commission for Higher Education and Indiana's colleges and universities have agreed upon the courses in which high school students must succeed to be prepared for both higher education and the workplace. This group of courses is called Indiana's Core 40 (40 credits in rigorous academic courses). The curriculum and the standards are the same for both technology preparation and college preparation. Options like Tech Prep and community service learning also help students move more easily from school into employment and further education.

Other characteristics of Indiana's effective school-to-work transition system are that it:

- benchmarks all education and training to high standards, ensures that all students meet these standards, connects education and training with career plans, and certifies what students know and can do on industry-recognized Certificates of Academic and Technical

Achievement; and

- connects business and industry, labor, community organizations, students and parents, schools and institutions of higher education in truly collaborative efforts to guarantee that all Hoosiers are prepared for life-long learning.

Moreover, Indiana's system is:

- **customer-focused** - recognizing, first, the unique requirements of the learners and employers.
- **results-oriented** - benchmarking to the high academic standards identified by the State Standards Task Force and linked to specific performance measures for all individuals and corporate participants.
- **localized** - ensuring that education and training are market-driven, locally designed and accountable.
- **transparent** - working together so well that participants do not experience disconnects as they enter, exit, reenter.
- **flexible** - permitting participants to move with ease between and among learning and work options.

Indiana has established the following objectives:

OBJECTIVE 1: Integrate Indiana's high academic and occupational standards into the school-to-work transition system -- and assist local teachers and programs in meeting these standards.

Indiana school-to-work system recognizes the value of an array of instructional designs including cooperative education, vocational and technical education, Tech Prep, pre-apprenticeship, youth apprenticeship, Bureau of Apprenticeship and Training (BAT) registered apprenticeship, public and private postsecondary education, initiatives of the Job Training Partnership Act, military training, literacy initiatives, initiatives of the Department of Commerce, Training 2000 and the Business Modernization and Technology Corporation, as well as customized, employer-sponsored training.

Workforce Literacy

Workforce literacy in Indiana has served thousands of workers in business and industry by developing a model program that is a step-by-step approach to the creation of work-based education. Using written and quantitative job requirements, educators and trainers create custom curricula based on the basic skills needed in the workplace by the worker-learners. By focusing its efforts on industries for which Indiana has developed technical proficiency standards, workforce literacy also joins the "full court press" of the Department of Workforce Development to reinforce the economic potential of these industries and ensure a competitive workforce.

Career Development Plans

By the completion of the ninth grade, all Hoosier students enrolled in public schools are required to complete a Career Development Plan. The Plan charts the course for students' remaining high school years and is founded upon the individual's interests and aspirations, past academic achievement, preferred learning style, and individual school-to-work transition plan. Students and their parents work closely with teachers, counselors, and other interested parties to establish clear goals and strategies and refine them as the focus of their goals becomes clearer.

Vocational and Technical Education

Indiana's work-based component of school-to-work is grounded in high quality secondary and postsecondary vocational and technical education programs. These are based on longstanding partnerships with local employers. Improving responsiveness to changing workforce and economic development needs is a shared goal. This requires more sophisticated and user friendly labor market information to be readily available to a range of customers, including school counselors, caseworkers, mentors, business, industry, labor, and students.

Workforce Proficiency Panel

Indiana's executive and legislative branches have provided visionary leadership in the area of establishing skills standards. Workforce legislation established the Indiana Workforce Proficiency Panel, whose members, nine citizens representing business and industry, organized labor, and educators, are appointed by the Governor.

The mission of the Workforce Proficiency Panel is to work with people from business, labor, and education to identify a common set of essential and technical skills required to be effective in major occupational areas. These skills will be based on a portable certification system allowing secondary, postsecondary and

adult learners to demonstrate what they know and can do.

The Panel identifies and sets essential skills and technical proficiencies for Indiana's major occupational areas. All of Indiana's publicly funded education and training will be benchmarked to these same high standards. The Panel also adopted Indiana's Essential Skills Content Standards in language arts and mathematics for each occupational cluster. This standard-setting process relies on the input and expertise of owners/employers, incumbent workers, and educators.

Additional state-level activities ensure continued industry buy-in of the essential skills and technical proficiencies by integrating the voluntary national skills standards, as these become available, and adjusting standard assessment protocols accordingly.

The Workforce Proficiency Panel authorized the design of Certificates of Technical Achievement to function as "open transcripts." Certificates of Technical Achievement warrant the application of knowledge and skill - both over time, and across learning venues, for example, classroom, work-based training, employment experience, customized, employer-sponsored training, and combinations of these. This "cumulative" Certificate of Technical Achievement can follow the learner/worker from high school, into technical college or occupational education, and through the working career.

Indiana Occupational Areas Targeted for Skills Standards

The Workforce Proficiency Panel has approved essential skills and proficiencies for the electronics, business support services, metalworking, printing, health and plastics manufacturing. Over 90 percent of the first 200 tested participants qualified for Indiana's Certificates of Technical Achievement. Based on analysis of labor market information, the Workforce Proficiency Panel will set essential skills and technical proficiencies in bioscience and technology and advanced industrial manufacturing during the next six months.

Linkage with the Voluntary National Skills Standards and Regional Workforce and Economic Development Initiatives

The developers of the national skills standards recognize that Indiana has institutionalized a process to set industry-driven skills standards. They are also aware that Indiana's standardized performance-based assessment yields a portable skills credential for students and workers. Indiana has negotiated agreements to pilot voluntary national skills standards and assess secondary and postsecondary student performance against these.

The Council of Great Lakes Governors is committed to creating a world class workforce in the Great Lakes region. The Governors have responded by working with industry to identify workforce skills needed to compete in a global marketplace and by training to those specifications. In the Council's policy paper, "Towards the Great Lakes Guarantee: New Direction in the Great Lakes Workforce Development Policy," presented to the Governors in August 1993, a comprehensive review of state programs highlights the importance of regional workforce policy. Recommendations from this report serve as the policy framework for the development, dissemination, and use of skills standards.

OBJECTIVE 2: Appraise performance of participants and programs to ensure they meet Indiana's school-to-work standards.

Peter Drucker said, "People do what gets measured." These standards require ongoing monitoring and assessment.

Indiana Performance Assessment for Student Success (IPASS)

IPASS is the state's new assessment system to evaluate student learning. Students will learn what they need to know as they progress through school, and they will graduate from high school with the education they need to compete successfully for jobs in the 21st century workplace. The new assessment system is designed to provide Indiana business with the skilled workforce they need to be competitive in a global economy and to ensure students' success in that workforce.

Subject areas covered by the assessment system are math, reading, and writing. IPASS includes the "Gateway Test" (Certificate of Initial Mastery) in grade 10 that students are required to pass to receive a high school diploma. IPASS has four components: statewide assessment, professional development, classroom assessments, and remediation. In IPASS, students must attain mastery of the Essential Skills Content Standards. These are skills that children should possess at certain grade levels. IPASS assesses students to see if they are learning the essential skills and then provides help to students who have not mastered the standards. The professional development component of IPASS is designed to help teachers do the best possible job of teaching the essential skills and to enhance their assessment of individual student's work.

OBJECTIVE 3: Strengthen emerging partnerships to ensure that authority, responsibility and accountability for the system's design and accomplishments can be shared, to guarantee that all Hoosiers can access and succeed in Indiana's school-to-work system.

Workforce Partnership Plans

According to guidelines jointly established by Department of Education, Commission for Higher Education, and the Department of Workforce Development, educational institutions (school districts, area vocational districts, and postsecondary institutions) enter into workforce partnership plans with others in the same geographic area. The workforce partnerships represent collective and collaborative program development among all of the partners in the geographic area. The partnership plans identify the: participants, local and regional planning processes, process benchmarks, and timetable. While the members currently include secondary and postsecondary vocational education, Workforce Development Office and private industry council representatives, under the expanded School-to-Work Partnership Plan, members will include employers and employer organizations, secondary and postsecondary institutions (teachers, counselors and administrators), students, labor organizations, community based organizations, health and human resource agencies, registered apprenticeship agencies, local vocational education schools, proprietary educational institutions, local government, parents, parent and teacher organizations, private industry councils, workforce development offices, and student organizations.

Experimentation and local innovation foster ownership in the process. Local areas designated their own regions, resulting in 15 regional partnerships as the workforce partnership plan areas. These geographical areas were selected because 1) each region contains a Workforce Development Center, as well as an appropriate distribution of educational institutions, resources, and providers; and 2) the areas are consistent with economic development area boundaries.

An important goal of Indiana's workforce legislation is to strengthen the programmatic relationship between secondary and postsecondary programs, as well as between postsecondary institutions. Tech Prep is an example of such programming.

In addition to the federal requirements, Indiana's partnerships will demonstrate that they have implemented the following from the state workforce development legislation -- career awareness curriculum, student career plans, Tech Prep, Indiana Core 40, content standards for math and language arts, technical proficiencies for occupational clusters, alternative education planning and programs, and portfolios.

The partnership plans describe how local strategies lead to occupations that have defined career pathways for all, including individuals with disabilities, dropouts, minorities, educationally and economically disadvantaged, and young women preparing for non-traditional employment.

One-Stop Career Centers

Each of the state's 16 Service Delivery Areas (SDA) has a Workforce Development Center with the mission of providing full-time access to an Information Resource Area, job search assistance, labor market information, Unemployment Insurance, and training program application for all Indiana citizens. Every Hoosier is within 50 miles of a comprehensive services office. We are building our One-Stop system on this foundation.

The workforce development centers will provide "one-stop" information, job-search, diagnostic assessment, and career counseling. These centers help Indiana citizens pursue education and career goals by offering information on industry trends, the fastest growing occupations, and job training. These connecting activities for the school-to-work system are available on a self-serve basis.

Labor Market Information

The sixteen One-Stop Career Centers have the capacity to deliver high quality labor market information to customers. Labor market information is the basis for career counseling and education planning. Local labor market analysts are available to serve the One-Stop Career Centers and the School-to-Work systems. Each analyst provides data about industry trends, prevailing wages for occupations in the area, growth occupations, types of local occupations, and types of knowledge and skills needed for demand occupations. The analysts provide information used in the needs analysis portion of the Unified Local Employment and Training Plans and Workforce Partnership Plans.

RECOMMENDATIONS

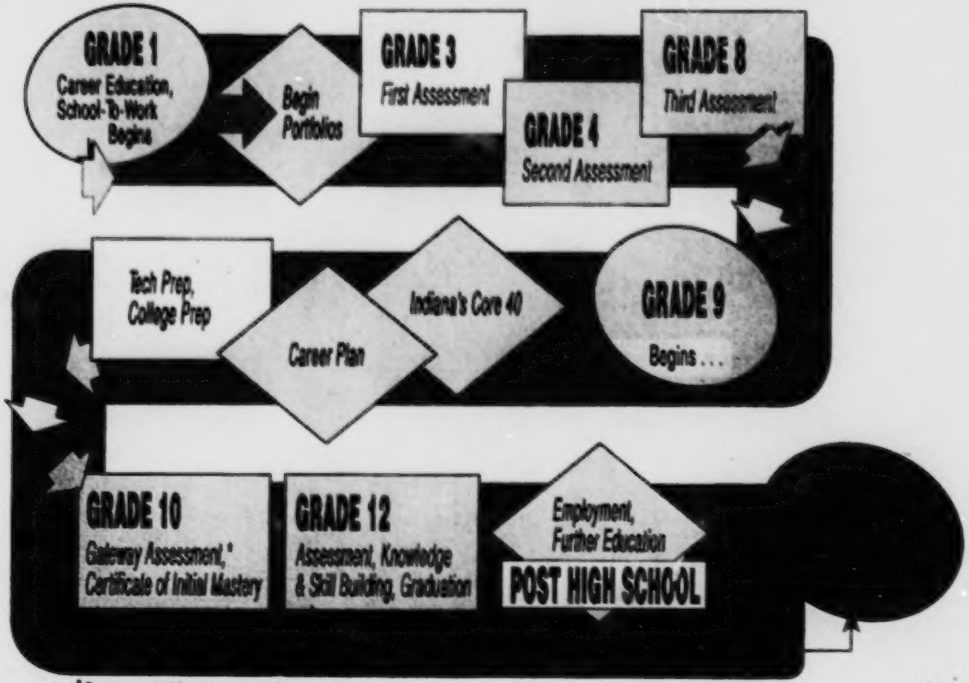
Block Grants as Funding Mechanisms and Program Frameworks:

- Federal reporting requirements and accountabilities should be applied to the full block, not subsets within the block. For example, both the Carl D. Perkins Vocational and Applied Technology Education Act and the JTPA -- are block allocated to the state and have several titles and categories with different administrative cost limitations, different reporting requirements and performance measures, and differences in allowable services.
- Federal measures applied to each block should focus on outcomes, not processes. Process measures should not take precedence over outcomes with federal funding contingent upon numbers of individuals involved in an activity for a certain number of hours per week.
- Each block grant should enable states to meet the needs of all people, not only individuals who meet certain eligibility criteria. The mission of the block grants, not demographic status of the applicants, should drive service delivery. States should be able to determine, based upon their unique circumstances and demography, how best to target resources to various population segments. Targets may vary from year to year, depending on state needs and priorities.

- Block granting will have significant impact on state systems. We require reorganization of agencies and missions, differently skilled staff, and time to make "philosophical shifts." We know from our experience in integrating JTPA and employment service and in consolidating the employment and training system with vocational and technical education and workforce literacy under the Department of Workforce Development that philosophical shifts can often be more difficult than overcoming technical barriers. A phase-in approach to deal with change should be considered.
- The School-to-Work Opportunities Act "venture capital" concept should be maintained. Continue requiring the preponderance of dollars fund local School-To-Work systems; continue School-To-Work efforts to consolidate other programmatic planning and implementation strategies, and leverage other state and federal funding streams.
- Rescissions which eliminate or drastically reduce funding may constitute a reverse mandate. For example, Tech Prep is recommended for rescission as of this fiscal year. This program is operative in Indiana, and thousands of Hoosier secondary and postsecondary students are enrolling now for courses they expect to enter next September. As a result of the proposed rescissions, many of their teachers will receive lay-off notices on April 1. The state budget, currently under debate in the legislature, is unlikely to replace the federal shortfall by July 1.

- While Indiana Skill Standards activities under the Workforce Proficiency Panel preceded the National Skill Standards projects, we are infusing their results to assure we develop portable credentials. We encourage the continuation of this effort and the implementation of the National Skill Standards Board. This is a very appropriate role for the federal government.
- We believe the School-to-Work Opportunities Act is the right direction to achieve education reform and economic development. This recognizes the uniqueness among states and encourges state planning and implementation that accommodates regional and local distinctions. This must be sustained. Too often we begin one course only to change mid-stream. This confusion has caused apathy, particularly from our education partners. The "this too shall pass" refrain is too often heard and too often correct.

INDIANA'S *Path To Lifelong Learning*



GRADE 1
Career Education, School-To-Work Begins

Begin Portfolios

GRADE 3
First Assessment

GRADE 4
Second Assessment

GRADE 8
Third Assessment

GRADE 9
Begins . . .

Indiana's Core 40

Career Plan

Tech Prep, College Prep

GRADE 10
Gateway Assessment, Certificate of Initial Mastery*

GRADE 12
Assessment, Knowledge & Skill Building, Graduation

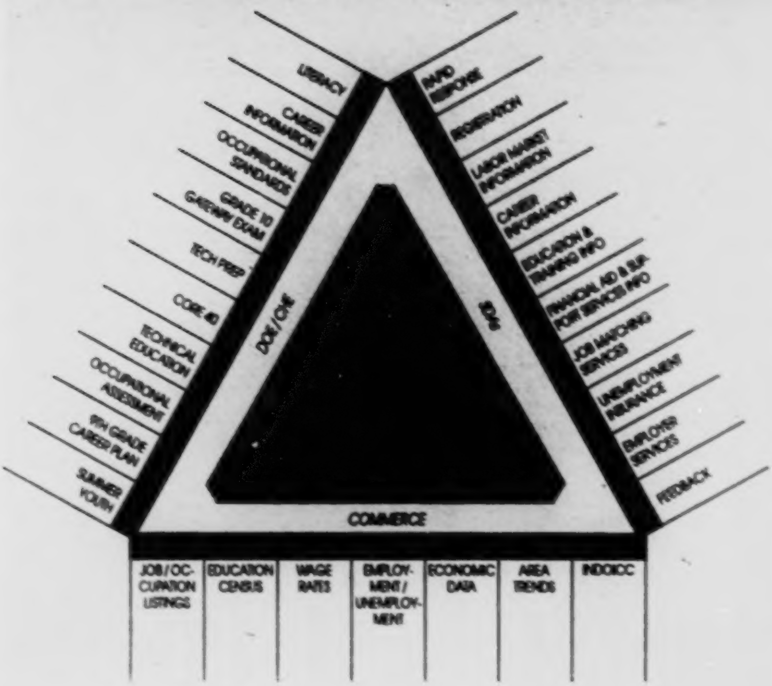
Employment, Further Education

POST HIGH SCHOOL

* Passage required for graduation, available to adults.

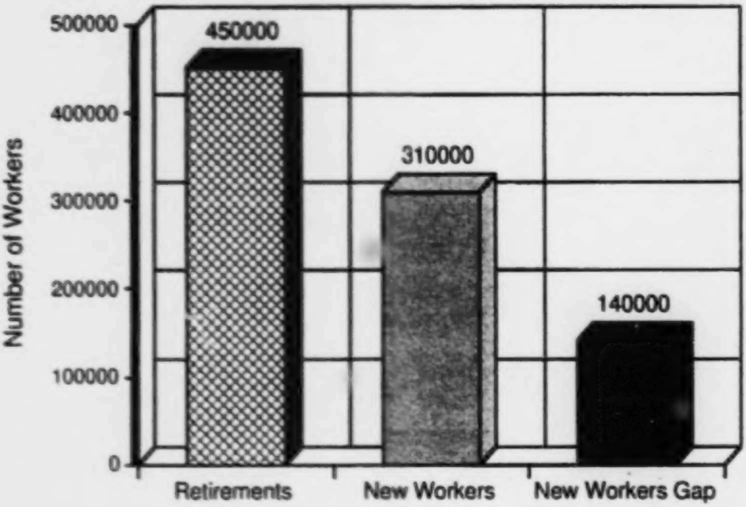
BEST COPY AVAILABLE

Indiana Workforce Development


LITERACY
CAREER INFORMATION
OCCUPATIONAL STANDARDS
GRADE 10 GATEWAY EXAM
TECH PREP
CORE 40
TECHNICAL EDUCATION
OCCUPATIONAL ASSESSMENT
9TH GRADE CAREER PLAN
SUMMER YOUTH
DOE / CHE
RAPID RESPONSE
REGISTRATION
LABOR MARKET INFORMATION
CAREER INFORMATION
EDUCATION & TRAINING INFO
FINANCIAL AID & SUPPORT SERVICES INFO
JOB MATCHING SERVICES
UNEMPLOYMENT INSURANCE
EMPLOYER SERVICES
FEEDBACK
DWD
COMMERCE
JOB / OCCUPATION LISTINGS
EDUCATION CENSUS
WAGE RATES
EMPLOYMENT / UNEMPLOYMENT
ECONOMIC DATA
AREA TRENDS
INDOICC

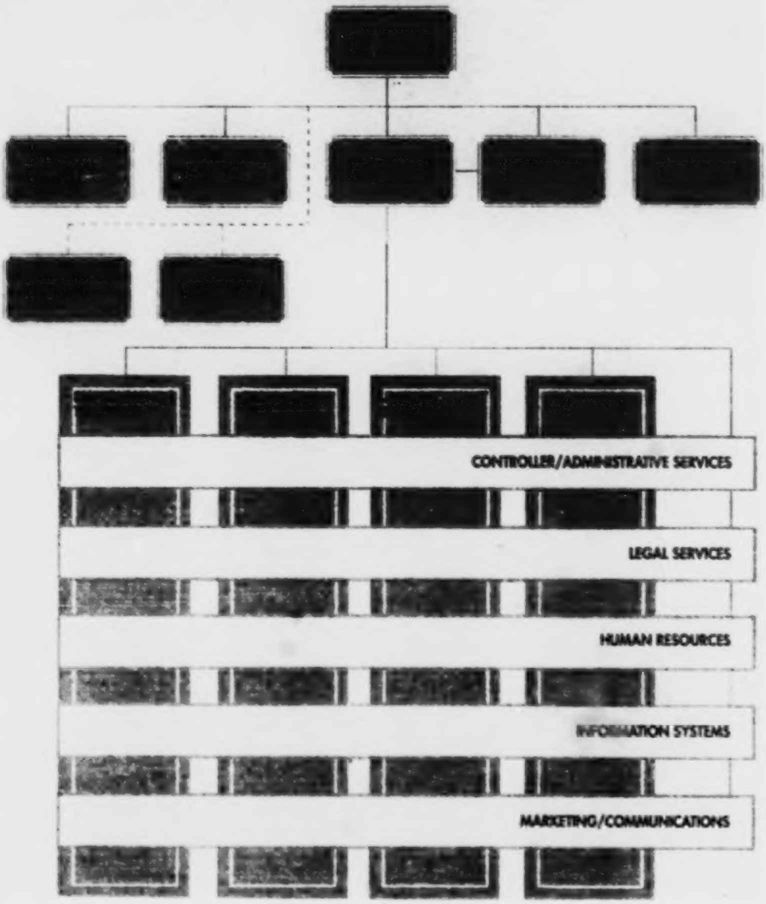
BEST COPY AVAILABLE

Workers leaving and entering Indiana's workforce in next ten years



BEST COPY AVAILABLE

Indiana Department of Workforce Development Organizational Chart


CONTROLLER/ADMINISTRATIVE SERVICES
LEGAL SERVICES
HUMAN RESOURCES
INFORMATION SYSTEMS
MARKETING/COMMUNICATIONS

BEST COPY AVAILABLE

Chairman **McKEON**. Thank you very much. Mr. Williams.

Mr. **WILLIAMS**. Thank you. Dr. Kappner, in your testimony is this sentence on page seven. "We have learned from the National Assessment, that special targeting designed to improve the quality of services to students who are disabled or disadvantaged or limited English speaking, sometimes can have the opposite result."

That sentence, for reasons you understand from our earlier visit, just leaps out at me. Tell me more about it.

Ms. **KAPPNER**. One of the points that emerges and is made in the National Assessment of Vocational Education is that in an effort to reach and expand opportunity to special populations in the 1990 reauthorization of Perkins, that there may have actually been two things that have happened since that time.

That the Act and the way it has been implemented may actually have harmed and helped at the same time special populations.

What we find when we go and look in the field is that you will have an institution or a school with a wide range of vocational opportunities, different career areas, for example. Yes, you will find that there is access for the various disadvantaged groups who the Act is intended to create access for.

But you will most likely find that they will be over-represented in the low end, the end that does not really prepare young people for good jobs, good-paying jobs and high-skilled jobs.

Mr. **WILLIAMS**. By the low end, do you mean the low academic?

Ms. **KAPPNER**. The low quality, and in terms of what the outcomes of those curricula will be. You will find they are over-concentrated in the trades that are not job growth areas. That they are under-concentrated in the more technical areas. Under-concentrated in areas like health and business, where jobs are being created and where the income potential is greater.

In our proposal, we are trying to address that finding of the NAVE study. That is why we are really taking a different approach to the issue of special populations.

Rather than approaching it as a series of set-asides, to approach it on the assumption that we want to have success for all young people in vocational education. That we need to have some agreed upon outcomes and measures, as difficult as that may be, that will drive that success for all young people.

Mr. **WILLIAMS**. When do you think you can have your vocational education proposal to us in bill form? As you can see, we are on a track here.

I know from having served here now under three Presidents, that the Executive Branch has to move their proposals through, not just their own department or agencies, but others as well. Sometimes that slows it down.

So I'm not sure how definitive an answer you can give us, but please give me an answer to that question, with an ear toward knowing that we are moving.

Ms. **KAPPNER**. I guess I should ask you how soon you would like to have this proposal then. I believe that we could get to the committee within the next couple of weeks, a reasonable proposal for consideration.

Mr. **WILLIAMS**. By when?

Ms. **KAPPNER**. The next couple of weeks. Within the next several weeks.

Mr. **WILLIAMS**. Couple or several?

Ms. **KAPPNER**. Couple. Couple. Several means seven, they tell me. I didn't mean seven.

Mr. **WILLIAMS**. Thank you. Mr. Kimery, Indiana, right?

Mr. **KIMERY**. Yes, sir.

Mr. **WILLIAMS**. Indiana. Okay. I've got bad news. News that I suppose you are aware of. The new leadership in the Congress is this week passing through the Appropriations Committee the elimination of the Tech Prep Program in Indiana. That elimination is going to cost you $2,664,228.

Now I assume Indiana is up and running on technical preparation. You have hired people. You have got it in place. You are all set to go. How is that for changing standards and outcomes from Washington, DC?

Mr. **KIMERY**. That eliminates standards and it will eliminate outcomes, because if something is not done to rectify that, unfortunately, I'm afraid that some of our technical preparation teachers will, unless they can slide into other slots within school districts, will be getting pink slips about the first of April.

Mr. **WILLIAMS**. How about the students that would have benefited? Do you have an idea of how many people would have moved through the Tech Prep over the next school year?

Mr. **KIMERY**. I could not give you an accurate number, but I would be happy to provide you with that, sir.

Mr. **WILLIAMS**. Thank you. Thank you, Mr. Chairman.

Chairman **MCKEON**. Thank you. In following along with that, are you familiar with how much the lifetime burden is going to be on an 18 year old, just to pay the interest on the debt that will be accumulated in the next four or five years if we don't make some of these cuts?

Mr. **KIMERY**. I'll get that to you.

Chairman **MCKEON**. Chairman Goodling.

Chairman **GOODLING**. Don't dismantle too many programs at the present time. It's a long way away. What may come out of one committee may not be the final decision. Until the final decision is made on what you do, what you don't do, I would say be patient.

I have two questions for the Secretary. Did I get any credit for the line "quality not just access"? Since the people on this committee have heard me say that so many times for 10 years that they are tired of hearing it, I just wanted to make sure that I didn't look at your footnotes.

My one question would be, the School to Work Program, is that the consolidation? Is that part of your two main streams of funding or is that a separate funding stream? If it's a separate funding stream, why is it a separate funding stream?

Ms. **KAPPNER**. The School to Work Opportunities Act put in place a temporary source of funding to create systems at the State level. It is designed to be very clearly moneys which would let States and local communities begin a process, begin a developmental process of building a system.

The legislation clearly sent the message that States and local communities would be expected to use other resources, resources such as Perkins dollars and JTPA dollars, to really put those systems permanently in place and keep them going.

The School to Work Opportunities Act sunsets in 2001. There will be no School to Work funding stream after all the States have been funded for their terminal five year grants and phased down.

What becomes important then is what streams of funding exist after that, to keep on an ongoing permanent basis, the changes in programs in schools and out of schools to make that reality.

So we are proposing to change the Perkins legislation to meeting that ongoing in-school stream of funding to help schools keep in place and make permanent School to Work systems.

Chairman GOODLING. Mr. Kimery, you heard the Chairman indicate that these are funds for start-up, to get you moving. I always used to tell my school board, don't get involved with any Federal programs if you are not going to carry them on after we disappear, because generally, we give you start-up money and that's the whole purpose of it.

So on one hand, I tell you don't get excited at this particular point. On the other hand, you have to be thinking about the future because it may dry up. Then you can move ahead.

Later on, we'll hear some testimony about some real success stories when we are dealing with junior high school youngsters and middle school youngsters.

Because one of my greatest fights, when we were doing Tech Prep, the business community kept talking all the time about 11th and 12th grade. I kept saying, gee, they either physically or otherwise have already dropped out by that time, and will certainly fail.

So we'll hear a success story in later testimony, because we did get some freedom for local districts to move down from the 11th and 12th grade opportunities.

I would assume that the block grant approach is important to you so that you can move some of your funds from other programs into programs that you believe are working well and are meeting our goals. Am I right in assuming that?

Ms. KAPPNER. What we are proposing is to eliminate the separate funding mechanisms that exist now in Perkins, and put those together into one funding stream. One to the States and a small national program's authority.

In regard to your mention of the need to get down to the lower grade levels in working on these kinds of issues, in our proposal we would be encouraging States to submit a consolidated State plan that would include not only Perkins and School to Work, but could include JTPA and ESEA, for example, so that school systems can think in a comprehensive way about how they are graduating young people with the skills and academic competencies they are going to need for the world.

Chairman GOODLING. Now the important thing, of course, is that we get all departments and all agencies working together on the issue. That is what we are trying to do from this level.

Last year, the Secretary of Labor came with six consolidations. This year he came with 50. Then he called me recently, and he's up to 70. I told him I'd hold out a couple more weeks. He'll be up to the 80 we were talking about. Maybe we can go beyond that.

But we do have cross jurisdictions if we are really going to make this work with the limited amount of money that we'll have.

Ms. KAPPNER. I think we have an excellent example of a partnership in the School to Work Program, in which the Departments of Education and Labor have truly reinvented government, in terms of how we are implementing this Act in the way that Congress wanted us to, through one team approach.

That will give us the experience that we need to really make the changes in schools, and then in the outer school system through JTPA, that are essential to make these school to work systems reality and permanent.

Chairman GOODLING. Thank you, Mr. Chairman.

Chairman MCKEON. Thank you. Mr. Roemer.

Mr. ROEMER. Mr. Chairman, I would be happy to yield to the gentleman from Ohio since I know he's not on the committee, but he certainly was here before I was.

Chairman MCKEON. You bet. Mr. Sawyer.

Mr. ROEMER. Thank you, Mr. Chairman.

Mr. SAWYER. Thank you, Mr. Chairman. I particularly want to thank Mr. Roemer. I know that you will probably point out later, but I just wanted to say hello to your father in the audience. I assume that that's your mother. At least I hope that that's your mother with him.

I probably won't be here when you make formal introduction of them. By mentioning them now, I know that they can't fail to be introduced. I mean, you can't fail to do that.

Thank you, Mr. Chairman. Thank you, Mr. Chairman and the full committee. I am always struck by how much you and I sound alike during hearings. I just hope that we can continue to sound alike during mark-ups.

Chairman GOODLING. If only I were that young and that handsome and that rich.

Mr. SAWYER. I'm going to stop right there. The comments that he made, however, about the importance of not dismantling yet are very encouraging. I hope we can continue that.

I am particularly encouraged about the notion of moving to the more pivotal grades, the middle school years where all of us know, the fundamental decisions about Algebra I and Algebra II, really have tended to drive children into different streams that they stay in for the remainder of their lives.

It is critically important that the underpinnings for the critical higher order of learning skills be sustained in those middle schools grades, or we will forever lose the opportunity to reintroduce them in the later years.

Dr. Kappner, let me ask you to continue a process that I heard you begin with Chairman Goodling. That was, in reading what you have proposed and in listening to the discussions about block granting, it seems to me that we are talking about something very, very similar.

I might call yours a consolidated grant as opposed to a block grant. Tell me if I am right in assuming that one of the critical differences is that you have maintained, at least for the present, discernible funding streams and discernible program content that are nonetheless flexible and blendable at the State and local levels.

Would that be an appropriate way to describe what you are trying to accomplish?

Ms. KAPPNER. That would be an appropriate way to describe it. While reducing the number of funding streams that would go to the State into one, we are directing that funding stream to the local LEAs and postsecondary institutions to change and improve what they do as the in-school, initial education part of building school to work systems.

We would see the changes in JTPA supporting the outer school pieces for the second chance system, and have links between those. But the funding stream would be into local school systems and defined broadly.

Mr. SAWYER. Mr. Kimery, in hearing that kind of description and what you heard from the discussion between Dr. Kappner and Mr. Goodling earlier, is this the kind of approach that would provide you comfort with regard to sustaining programming and flexibility that you need in order to address the particular needs of Indiana?

Mr. KIMERY. Yes. It certainly would. We would be very supportive of that approach because that's what needs to happen.

In terms of School to Work dollars, transition dollars only being there for a certain number of years, well, venture capital is defined as you use it to make the change. You use your other dollars to support that change after it's been made.

Mr. SAWYER. Let me just ask one more general philosophical question and I'll yield back the balance of my time.

We grow concerned here whenever we begin to talk about quality, because it always leads us to back away from any perception that somehow there is an attempt to federalize education.

I don't think there's anybody on this committee who wants to federalize education. But at a time when it has become an overarching national goal and a critical need, we all have an interest in quality. Are either of you put off by this growing interest and embrace of quality as opposed to accessibility?

Ms. KAPPNER. Several of the findings of the National Assessment of Vocational Education dealt with the issue of the sometimes lack of quality in vocational education, the sometimes lack of rigor, the sometimes lack of coherent sequencing of courses.

Finding at the same time, that when the quality was there, that there was a good impact, a good outcome on earnings and on high school dropout rates and those kinds of things for young people.

Our proposal is very much designed to address that, and to try to find a way to direct these funds to improving quality overall in this system in making it a system of high quality, high standards and outcomes.

Mr. SAWYER. Mr. Kimery, are you comfortable with that from the point of view of a State administrator who needs flexibility, but seeks quality in the things that you do?

Mr. KIMERY. Yes. Any program that is not a quality program, if you have accessibility to, you haven't gained anything. You have to have accessibility to quality program.

Mr. SAWYER. I guess my point is, you are comfortable being, holding yourself, that's a better way to put it. Holding yourself to a high standard measured in qualitative terms.

Mr. KIMERY. Yes.

Mr. SAWYER. Thank you. Thank you, Mr. Chairman.

Chairman MCKEON. Thank you. Mr. Gunderson.

Mr. GUNDERSON. Well, thank you, Mr. Chairman. I have this nervous twitch inside of me that says we might actually end up with some bipartisan cooperation on this proposal. I am scared to say it publicly because if I do, I think somebody is going to make an effort to sabotage it.

So I want to commend you for your statement. While I am being bipartisan, I want to tell Mr. Roemer's parents that he is respected and loved by people on both sides of the aisle. I probably should add the caveat, most of the time, to that.

I have a couple questions for you in the Department. If I understand your proposal correctly, you are talking about block granting, School to Work, the vocational education, in the Tech Prep? Is that correct or no?

Ms. KAPPNER. We are talking about consolidating all of the parts, the 23 or so, however many parts there are of Perkins, into one State grant.

Mr. GUNDERSON. Okay. Just Perkins? So you are not going to add then Tech Prep or School to Work?

Ms. KAPPNER. Tech Prep, yes, is one of those 23. Tech Prep is one of those 23. Yes.

Mr. GUNDERSON. But you are not going to add any of the other training programs or School to Work?

Ms. KAPPNER. The design of the system essentially is to consolidate Perkins, all of those pieces of Perkins, to define the outcomes that we want to achieve in the Perkins legislation, as being the outcomes that are in School to Work so that both of those would be working toward the integration of academic and vocational, raising academic standards, pushing the linkages as far as we can between secondary and postsecondary, and moving away from job specific training to the kind of career majors that are talked about in School to Work.

School to Work is the system. Perkins are the in-school program instruction dollars that allow the schools to do their part of keeping, maintaining that system and creating their system.

The JTPA dollars, the out of school dollars, as you know, the Labor Department is proposing to consolidate those in the same model of School to Work.

So it would be one School to Work system with two components, with an in-school component which is initial education, and your second chance system, with links between those two. States would have the ability under our proposal, to submit their JTPA plan, for example, with their School to Work and Perkins plan.

Mr. GUNDERSON. I think we need to push you to go a little bit further in that regard. How do you propose to deal with the out of school youth, in terms of the job training? Do you see any role for the Perkins Act in that regard? The dropouts, school youth?

Ms. KAPPNER. Through the School to Work Opportunities Act. The School to Work Opportunities Act was designed to cover all students. The attempt is to create a system that deals with those who are in school, and with those who already dropped out. So that's the framework, and that is in legislation. That has already passed.

States are using that money at this point to begin to develop the partnerships and to do the infrastructure kinds of things at the State level, and demonstrations at the local level to make that a reality.

Mr. **GUNDERSON**. You don't see any Perkins money directed in that regard?

Ms. **KAPPNER**. No. Perkins money is primarily for in-school youth, as we are defining it. With the links to the outer school system funded by JTPA.

Mr. **GUNDERSON**. Talk to me about the Skill Grants.

Ms. **KAPPNER**. The Skill——

Mr. **GUNDERSON**. GI Bill.

Ms. **KAPPNER**. GI Bill.

Mr. **GUNDERSON**. And the Skill Grants as part of that. Is there going to be any accreditation requirements as to where students would use that skill grant?

Ms. **KAPPNER**. Yes. Under the proposal for the GI Bill for America's Workers, the institutions in which those Skill Grants would be used would have to be approved institutions.

In the case of postsecondary institutions, they would have to have the kind of certification that is now in place for financial aid.

We are also working with the Department of Labor on what kind of enhanced performance outcomes and what kinds of enhanced gatekeeping would be necessary to ensure that those grants are not in any way misused or abused.

Mr. **GUNDERSON**. There seems to be an awful lot of confusion over whether or not the Skill Grants are going to be going primarily to postsecondary vocational education institutions, or whether they are going to be going to the Job Training Partnership Act and the local PIC councils.

How do you anticipate that?

Ms. **KAPPNER**. Under the proposal, the idea is to have a wide variety of providers, of which postsecondary institutions would be one. There is no presumptive provider under the Skills Scholarships Grant.

But whoever the provider is, they would have to meet the certification criteria that the Labor and Education departments would jointly develop to ensure good consumer service.

Mr. **GUNDERSON**. Okay. Thank you.

Chairman **MCKEON**. Thank you. I am happy to welcome Mr. and Mrs. Roemer here. I am sure you are proud of your son. He's a good young man. We had a nice visit yesterday, as he was taking his two sons back to his office from the Capitol.

As I say, I'm sure you are proud of him. He's doing a great job here. I don't know that we have ever agreed on anything, but that has nothing to do with the job that he's doing here. Mr. Roemer.

Mr. **ROEMER**. Thank you, Mr. Chairman. I would just like to thank you and Mr. Gunderson and Mr. Sawyer for your very, very kind remarks. I think I'm going to bring my parents to every single hearing I attend so I hear these nice things.

I'm wondering why the gentleman from Montana didn't say anything nice. Pat, we're Democrats, right? We need to say these nice things about each other.

Mr. WILLIAMS. Tim, I don't need to say anything publicly, for me to convince you in what high esteem I hold you.

Mr. ROEMER. I'd be happy to further yield to any comments you had.

I'd like to welcome my parents who I am so proud of, and who have meant so much to me in terms of my education. Also welcome Mr. Kimery from Indiana. The zeal and the intelligence and the innovation that you bring in education from the State of Indiana to Washington, DC and the common sense that you have in your testimony.

I have three questions that I would like to ask you about. Because I am limited to my five minutes, I know you have to be brief too.

One is on the job gap, the new worker gap that you refer to in your testimony. The second is on Tech Prep. The third is on block grant consolidation.

First, on the worker gap. You note in your testimony with this graph in the back, the appendix, that we will have about 450,000 retirements, 310,000 new workers, and about 140,000 new worker gap.

How critical and vital then is this School to Work Program to address both this gap and adequate training for these 310,000 new workers?

Mr. KIMERY. It's absolutely critical. That gap is projected over a 10-year period. But you have to start now so that you will have people coming into the workforce that have the skills necessary to be competitive in the workplace and can get good jobs and provide employers with good employees.

If we don't start now, we will not be able to fill that requirement.

Mr. ROEMER. Secondly, on your Tech Prep Program, you note on page 16 of your testimony that you believe that teachers will receive lay off notices as of April 1, if this recision goes through? Can you expound a little bit more on that, and also explain the impact on students in the State of Indiana, and maybe even relate that to what you just said in answering the first question, the importance of these kinds of programs to the gap that we are seeing in the midwest and States like Indiana?

Mr. KIMERY. Well, obviously that will increase the gap. It will deny other students from obtaining those necessary skills.

The recision sends a very chilling message. That message is that maybe Tech Prep is not important. Maybe we are fixing to change directions again.

At the local level, people are very skeptical. You can go out and talk to them. You can have focus groups, one on one. Whatever method you want to use. But they have seen so many different programs come and go without their complete implementation that this type of message says, well, maybe Tech Prep was a program of the day, and it's going to be gone. It's going to be replaced with something else.

So we're going through a holding pattern. We are not going to commit any of our local resources to do this, because we need those other dollars to make it happen.

Mr. ROEMER. So your statement is is that this feeling of sometimes lack of priority put on vocational education on technical training, when it's one of the first things included in the recision package, that sends absolutely the wrong message?

Mr. KIMERY. That is correct.

Mr. ROEMER. Thirdly, you currently have under your jurisdiction at the Department of Workforce Development, such programs already consolidated, Job Training Partnership Act, Unemployment Insurance, Perkins, Workforce Literacy. The list goes on and on.

If we do consolidate in a block grant, what is the impact upon your ability to deliver these types of services and other types of services if we either flat fund this program or if there is some type of reduction?

Mr. KIMERY. I fear with the going to the block grant, is there will be an intuitive decision made that you can be X percent more efficient, and therefore, we will reduce the amount of funding by some percent.

We have already gone through all those integrated moves that save and create more money for programs. If that block grant is less than the dollars we currently receive, then something is not going to get done. Some Federal requirement is not going to be met.

Mr. ROEMER. So you have already gone through a number of the efficiencies that would save you administrative costs and therefore, if this block grant consolidation is at all reducing the number of funds going to these programs, then we will see programs cut rather than any more efficiencies delivered in terms of administrative costs?

Mr. KIMERY. Within the State of Indiana, that is correct.

Mr. ROEMER. Okay. Thank you. Thank you, Mr. Chairman.

Chairman MCKEON. Thank you. Ms. Woolsey.

Ms. WOOLSEY. Thank you, Mr. Chairman. I too would like to welcome Mr. and Mrs. Roemer. It is obvious why your son is so handsome.

You have heard how effective he is here. I would be very glad if my three sons grew up to be as nice and smart as your son is. But mostly, my youngest child is 28 years old and she has three older brothers. I'd covet your grandchildren. I want this to be on national record. This mother wants to be a grandmother.

Mr. ROEMER. Would the gentlelady yield?

Ms. WOOLSEY. Yes.

Mr. ROEMER. You have been so kind to my children, and I probably shouldn't say this on the record. But I know my son Patrick has voted on the floor with your voting card many times.

Ms. WOOLSEY. I want him to be mine.

Chairman MCKEON. You're right. You shouldn't put that on the record.

Ms. WOOLSEY. Well, I have three questions. The first one, well two questions mainly.

With these changes, and with block grants, what could we risk losing that we need to be alerted about? I mean, what should we be sensitive to? Because things can look very good, and then all of a sudden boom. Oops, we didn't know that would happen.

Starting with you, Doctor, and then I'd like Mr. Kimery to talk about it too.

Ms. **KAPPNER**. The word block grant is being used to mean so many different things these days, that I think it is important that we try to be more specific.

In the Education Department, our Secretary likes to talk about block grants with responsibility and accountability. That that's the important element in terms of assuring that taxpayers' money is going to be used as statutes and Congress intended it to be.

In our proposal, we are formulating our proposal in a way that we believe will strengthen the educational institutions that must be partners with business and industry in building school to work systems.

We would be very concerned if in any block granting proposals, there would be a reduction of the kind of support to educational institutions in general to allow them to do the kind of quality improvement that is so essential, if we are going to be preparing all of our young people for the needs of the future workforce, and even the current workforce.

Clearly, all of our schools need to be preparing many more of our young people to achieve at a higher level and to have the preparation for the world of work.

The Perkins dollars can be an important vehicle for that, as School to Work can be also. It really is an incredibly good vehicle for reforming schools for all young people. We would not want to see that lost in any block granting situation.

Ms. **WOOLSEY**. Then let me segue that into you, your response, Mr. Kimer. Kimer?

Mr. **KIMERY**. Kimery.

Ms. **WOOLSEY**. Kimery. Sorry. What was I going to ask you?

Well, all right. Are we going to have standards? I mean, can the States accept the fact that there needs to be quality outcome standards in order to really deserve getting their block grant funding?

Mr. **KIMERY**. I believe they can. Anything that we do ought to be based upon quality. It ought to be based upon helping those customers. We are a very customer focused organization. We have gone through a lot of this integration.

Earlier, it was talked about having one integrated plan. Indiana has one integrated plan. It goes to the U.S. Department of Education and U.S. Department of Labor. The integration of the Perkins activities and vocational and technical education in with the Job Training Partnership Act and the other training programs that we operate.

We are building a very good coalition. We are leveraging what certain segments of the education and training community do well. We are getting out of the competition business. There's not enough funding out there for competition.

We are getting into the business of collaboration and cooperation with a common goal of providing good workforce opportunities and good workers for the workforce.

Ms. **WOOLSEY**. Thank you very much. With the formula funding, are there districts? Are there regions of the country that are going to get less because of this? Is there something that we have to start being protective of?

Ms. **KAPPNER**. Under our proposal, what we would like to see happen is to continue to ensure that the dollars flow to those communities and areas which have the highest percentage of low income and disadvantaged, as is currently the case, but don't flow necessarily to small individual projects.

But are used in a way that the whole institution is upgrading quality and ensuring success for as many students as possible.

We don't believe that that would change the overall balance across the Nation.

Ms. WOOLSEY. Thank you. Then I have one thing I think we need to be very cautious of. It's particularly to our committee here and to the Department.

If we drop the Pell, part of this skill Pell Grant, if we drop that in the title, the Nation is going to think that we have severely cut Pell Grants. So I think it should be Skill/Pell. Somewhere along the way, we have to have Pell in there.

We can't go around explaining to people, no, no, no, we didn't really. It is some place else. Keep that title in the new program.

Ms. KAPPNER. I would just like to clarify that the proposal to restructure Perkins is one component of the GI Bill for America's Workers. The Skills Scholarship Skills Grant is another piece. They are different populations that are being addressed.

The Skills Scholarship proposal addresses the adults and short-term training. We are focusing in our proposal on Perkins, on the youth who are coming through the schools. They are very much related. It's a part of a lifelong learning system, but two separate components of the proposal.

Ms. WOOLSEY. Yes. Thank you for making that clear. We are going to change it with the adults and give that over to Labor. Let's fight to keep the title Pell in that part of it though.

You'll be there. You can help us do that. Thank you, Mr. Chairman.

Chairman MCKEON. Thank you. Dr. Kappner, you mentioned that when we use the term block grants, it means different things to different people.

I think there are a lot of terms that we have a habit around here of adapting, little buzzwords inside the beltway. We did that last year in health care. You know, managed care, I think probably different people you'd talk to, would have different understandings of what that means.

So I think we need to constantly be trying to define these terms so that we are at least talking about the same things.

I know one of the reasons that we are looking at block grants, which would mean to take a pile of money and then send it out with certain aspects tied to it, is to increase local control. That is what our real emphasis is, to decentralize, take the control from Washington to the local communities who are very capable, we feel, of handling and running programs.

The second thing is to save dollars. Where we expect to save the dollars is in cutting Federal bureaucracy.

Now, Mr. Kimery, you mentioned that you have done all that you could to cut State bureaucracy. We were hoping that at the least, State bureaucracy will not be increased.

I know when I served on a school board and city council, we had at least as much problem with State government as we did with the Federal Government. I would hope that State government does not increase bureaucracy. We would love to see them decrease bureaucracy, as we push these dollars down to the local areas.

How do you see that happening? Do you see any ways that you can save?

Again, I don't think we are talking about cutting the amount of money at this point that you would get. But we hope that through cutting Federal bureaucracy, we would be able to give you the same amount, but still save on the Federal level.

Mr. KIMERY. Let me clarify that statement, sir. The Department is not near as big as it was when it was originally created. We have gone through some consolidations. We have done some things that has reduced the size and the number of people at the State level that are involved in all the programs that we administer.

My comment was that we have achieved that efficiency level. When you automate systems, is when you derive a big savings. We are into our third generation of upgrading and automating different types of things. So there's not a lot of room.

I wouldn't say I couldn't squeeze a little bit, a few more drops of blood out of the tomato, but there is not going to be a significant, within the State of Indiana, because we have been doing this for four years. We have consolidated, revamped, done a lot of innovative things to try to pass as many dollars as possible down to the local level to serve the customers, because that's the business that we are in.

Though if we were to receive the same amount of funding, we cannot function and operate well and provide good service with that.

Chairman MCKEON. Cannot function well if you receive? Or you would be able to function well?

Mr. KIMERY. If we receive the same amount, we will be able to do whatever we need to do to satisfy the needs of our customers and hopefully provide whatever type of feedback the Federal Government desires.

Chairman MCKEON. Coming from a retail background, I appreciate you using the word customer, because we know the customer is always right. We want to take care of the customer. That's, hopefully, the people that we are trying to serve.

We should treat them, rather than as people that we have to put up with, as people that we rely on that we want to help.

Another term that I think we use without knowing how we all relate to that term is the one-stop centers. You again referred to one-stop career center. How do yours work? What does that mean to you, a one-stop career center?

Mr. KIMERY. Our one-stop career centers have core requirements that have to be in them. They offer Job Training Partnership Act service. They offer job placement service.

They have what is referred to as a workforce development center, that offers labor market information, information on different types of skill requirements. If you need a resume prepared, there is software in computers to turn out professional looking resumes. We have counselors. We offer unemployment insurance service.

In some cases, we are co-located with welfare, State welfare offices. In some cases, we have some other educational opportunities.

We are linking all these electronically. Our goal would be as in when a customer comes in, they would get total service. If they are being referred to some training institution, that appointment will be made for them electronically, so that when they walk out the door, they have the name and address and the time of when they are supposed to meet someone.

Ingrained within our total philosophy is that of we are there to provide customer service.

Chairman **McKEON**. I would like to talk to you more about that sometime, but our time is gone at this point. I want to thank you for being here and for your participation.

Again, we are open for more questions or comments or help, and hope that you will communicate with us as we go through this whole process. Thank you very much.

Ms. **KAPPNER**. Thank you. We are very eager to work on really changing the system, in a way that will work for people at the other end.

Chairman **McKEON**. It's going to happen. If we could now ask our second panel to come forward.

We have two members of the panel from Pennsylvania. I'd like to turn the time to our Chairman of the full committee to introduce them. Then I will introduce the other members.

Chairman **GOODLING**. Thank you, Mr. Chairman. I'm very happy and proud to introduce the two that are here from Pennsylvania.

First, Mr. Glatfelter is a very successful business person in York County, who came from the little town of Loganville. His success in business also has made him one of the most respected and revered person in the area, because he has used his opportunity, his success, to give back to the community.

So everybody who is looking for a way to raise funds from some charitable program, has his number. I don't know how he runs his business, because they have him very much involved.

But he has carried out a couple programs. One of which you will hear about today. The other, I will just very quickly mention. He also said to those who have dropped out of school, that if you go back to school and you get your diploma, we will guarantee you employment.

The way he does that, he embarrasses all the other businesses in the district by saying I'm going to hire five of them. How many are you going to hire? Of course they don't have the courage to say well, I'm not going to hire any of them. It has been very successful.

But you will hear also about the program that Dr. Van Newkirk is associated with, with Mr. Glatfelter.

Dr. Van Newkirk is the superintendent of York City Schools, not an easy job by a long shot. But he has done a remarkable job of bringing all of the different ethnic groups together in an effort to provide the best quality education you can provide in a inner city setting.

He is the Superintendent of the high school from which I graduated just a couple years ago. In fact, we'll be having our 50th this summer. So I'm happy to welcome both to the hearing this morning.

Chairman McKEON. Thank you, Mr. Chairman. Also, we have Ms. Susan Carreon, the Dean of Vocational Education from Golden West Community College in Huntington Beach.

I am from southern California, so I know that you have come a long way and appreciate you being here.

Mr. Paul Mashburn, the Computer Assisted Drafting Coordinator, Westminster High School, right next to Huntington Beach in southern California. Likewise, you have come a long way.

Mr. Paul Weckstein, the Co-Director of the Center of Law and Education, Washington, DC. You haven't come too far.

But we appreciate all of you being here today. You have seen how we function. We'll start with Mr. Glatfelter. Then we'll hear from each of you. Then we'll have time for questions.

STATEMENT OF ART GLATFELTER, PRESIDENT AND CEO, GLATFELTER INSURANCE GROUP

Mr. GLATFELTER. Thank you very much. I'm sure you all know or have heard the name of the town of Loganville before from Mr. Goodling. We both attended the same two-room schoolhouse there and developed quite a relationship with just two teachers in eight years, and attended the same high school.

I appreciate very much the opportunity to be able to tell you about what I believe is a very wonderful program which we call Project Connections in the Hannah Penn Middle School in the York City School District.

It is a connection between sixth, seventh and eight grade students and more than 75 businesses in the community. That is growing daily.

Employing more than 400 people in my business with the majority joining the firm soon after graduating from high school and college, I have developed a very strong feeling that we are not adequately preparing young people to enter the job market.

Few of them have given serious thought to the kind of work they would hope to pursue. I have asked many of them over the years why they came to my firm to apply for a job. Their answer has always been because people said it's a nice place to work. My answer has been that that's not a very good reason. It's not the proper reason.

After graduation, they begin looking for a job. I think it's any job, in order to earn a living. It rarely leads to a very satisfying experience.

Having had a great deal of experience employing and working with young people, I have come to believe that the major cause for them dropping out of school is that they have no values, feel that they have no worth, and really no hope. They develop a very, very poor attitude.

I strongly feel that they would not end up in this hopeless state of mind if in their earlier years, they had developed relationships with adults who had made them feel that they had some value and given them some hope.

In 1990, after visiting a school in East Harlem, where I saw what could happen to young people when they were challenged and who have an opportunity to develop relationships, I began a dialogue with people who had similar views and I offered some financial support to organize a pilot program in the Hannah Penn Middle School in York.

The program, after three years, includes a sixth, seventh and eighth grade class, six teachers, three aides, and an outside consulting firm who organized and monitors the program.

The business leaders working with these young people are helping them greatly in their early development, and giving them confidence that most of us did not acquire until we were many many years older. Watching them stand up and speak to a group of business people is very, very heartwarming.

Observing 11, 12 and 13-year-olds describe a company, what its product is or service, and explaining what one needs to know to do the job, is what education is all about.

This is the kind of preparation required for effective school to work transition. Project Connections' three year experiment has been an unequivocal success, and my hope is that it can be expanded, for it has made a great difference to 150 young students in York, Pennsylvania.

I don't see how anyone graduating from high school or college can go into the business world and seek a job when they have no idea what any business does beyond the receptionist desk.

I appreciate very much having the opportunity to chat with you.

[The prepared statement of Mr. Glatfelter follows:]

ARTHUR GLATFELTER

I APPRECIATE THIS OPPORTUNITY TO BE ABLE TO TELL YOU ABOUT A WONDERFUL PROGRAM

-- PROJECT CONNECTIONS --

IN THE HANNAH PENN MIDDLE SCHOOL OF THE YORK CITY SCHOOL DISTRICT.

A CONNECTION BETWEEN 6TH, 7TH AND 8TH GRADE STUDENTS AND MORE THAN 75 BUSINESSES.

EMPLOYING MORE THAN 400 PEOPLE IN MY BUSINESS WITH THE MAJORITY JOINING OUR FIRM SOON AFTER GRADUATION FROM HIGH SCHOOL OR COLLEGE, I HAVE DEVELOPED A STRONG FEELING THAT WE ARE NOT ADEQUATELY PREPARING OUR YOUNG PEOPLE TO ENTER THE JOB MARKET.

FEW OF THEM HAVE GIVEN SERIOUS THOUGHT TO THE KIND OF WORK THEY WOULD HOPE TO PURSUE.

AFTER GRADUATION, THEY BEGIN LOOKING FOR A JOB, ANY JOB, IN ORDER TO EARN A LIVING. IT RARELY LEADS TO A VERY SATISFYING EXPERIENCE.

HAVING HAD A GREAT DEAL OF EXPERIENCE EMPLOYING AND WORKING WITH YOUNG PEOPLE, I HAVE COME TO BELIEVE THAT THE MAJOR CAUSE OF THEM DROPPING OUT OF SCHOOL IS THAT THEY HAVE NO VALUES, FEEL THAT THEY HAVE NO WORTH AND NO HOPE. THEY DEVELOP A VERY POOR ATTITUDE.

I FEEL STRONGLY THAT THEY WOULD NOT END UP IN THIS HOPELESS STATE OF MIND, IF IN THEIR EARLIER YEARS, HAD DEVELOPED RELATIONSHIPS WITH ADULTS WHO MADE THEM FEEL THAT THEY HAD SOME VALUE AND GAVE THEM SOME HOPE.

IN 1990, AFTER VISITING A SCHOOL IN EAST HARLEM, WHERE I SAW WHAT COULD HAPPEN TO YOUNG PEOPLE WHO WERE CHALLENGED AND WHO HAD AN OPPORTUNITY TO DEVELOP RELATIONSHIPS, I BEGAN A DIALOGUE WITH PEOPLE WHO HAD SIMILAR VIEWS AND I OFFERED SOME FINANCIAL SUPPORT TO ORGANIZE A PILOT PROGRAM IN THE HANNAH PENN MIDDLE SCHOOL IN YORK.

THE PROGRAM, AFTER 3 YEARS, INCLUDES A 6TH, 7TH AND 8TH GRADE CLASS, 6 TEACHERS, 3 AIDES AND AN OUTSIDE CONSULTING FIRM WHO ORGANIZED AND MONITORS THE PROGRAM.

THE BUSINESS LEADERS WORKING WITH THESE YOUNG PEOPLE ARE HELPING THEM GREATLY IN THEIR EARLY DEVELOPMENT AND GIVING THEM CONFIDENCE THAT MOST OF US DID NOT ACQUIRE UNTIL WE WERE MANY YEARS OLDER. WATCHING THEM STAND UP AND SPEAK TO A GROUP OF BUSINESS PEOPLE IS VERY HEART WARMING. OBSERVING 11, 12 AND 13 YEAR OLDS DESCRIBE A COMPANY, WHAT ITS PRODUCT OR SERVICE IS AND EXPLAINING WHAT ONE NEEDS TO KNOW TO DO THE JOB IS WHAT EDUCATION IS ABOUT. THIS IS

5

THE KIND OF PREPARATION REQUIRED FOR EFFECTIVE SCHOOL TO WORK TRANSITION.

PROJECT CONNECTIONS' THREE YEAR EXPERIMENT HAS BEEN AN UNEQUIVOCAL SUCCESS, AND MY HOPE IS THAT IT CAN BE EXPANDED, FOR IT HAS MADE A GREAT DIFFERENCE TO 150 YOUNG STUDENTS IN YORK, PA.

BACKGROUND ON

ARTHUR J. GLATFELTER

CHAIRMAN OF THE BOARD

CHIEF EXECUTIVE OFFICER

THE GLATFELTER INSURANCE GROUP

AN ESOP COMPANY

EMPLOYING 400 PEOPLE

CURRENTLY WRITING IN EXCESS OF 150 MILLION DOLLARS IN PREMIUM ANNUALLY AND IS ONE OF THE LARGEST PRIVATELY-OWNED AGENCIES IN THE COUNTRY.

2/28/95

Chairman McKEON. Thank you very much. Dr. Van Newkirk.

STATEMENT OF DR. JACK C. VAN NEWKIRK, SUPERINTENDENT, YORK CITY SCHOOLS, YORK PENNSYLVANIA

Mr. VAN NEWKIRK. Thank you, Mr. Chairman, Members of the committee. I appreciate the opportunity to share Project Connections with you.

I wish to address the committee on the following three educational needs. First, School to Work transition programs in the middle school. Second, economically disadvantaged students exposure to the world of work. Third, partnerships between private industry and school districts.

There is an absolute need for School to Work transition programs in the middle school. Eleventh grade is too late to initiate discussion about work. We can not assume students will commit to training programs in their high school years if their goals do not include the world of work, or if they have not been exposed to what work is. An eagerness about learning still exists in the middle school years that we should accentuate.

Family discussions about the day's activities at school and at work no longer take place around many of America's dinner tables. In fact, the evening sit-down dinner has given way to a zap of the microwave, and numerous social and recreational activities.

Public media, teen magazines and the music industry distort the everyday world, and many of our students believe all that one needs to become successful is the right pair of sneakers or the right soft drink.

If schools are to be successful in preparing students to be productive citizens in the future, schools must assist students in developing a frame of reference on which to base real choices and real goals.

The need for economically disadvantaged students to experience exposure to the world of work is most clear in my district. We have a racially diverse population, 65.9 percent of which are enrolled in the free and reduced lunch program.

Children living in poverty have as many natural talents and abilities as those living in affluence. Poverty, however, is often a barrier to the entrance for the world of work.

It is imperative that young people be taught or exposed to the inherent value of work and the value of being productive. When such opportunities or basics are absent in the home, opportunities must exist for same to be acquired in another forum. The schools must somehow assist in eradicating hopelessness and building aspirations.

Hence, the need of a partnership between schools and private industry. Schools can teach the basic educational skills, but until students see the relevance of learning, those skills have no value. The entire community must take ownership in preparing our youth for tomorrow.

The School District of the City of York has been fortunate in having Mr. Arthur Glatfelter as a friend. As he has described, his leadership enabled our district to enter into a partnership for Project Connections.

In 1992–1993, 50 randomly selected sixth graders from the middle ability level group at Hannah Penn Middle School, 41 percent African American, 21 percent Latino American, 38 percent Euro-American, took part in the program. Approximately 69 percent of the students met the definition of economically disadvantaged. Additional groups of 50 were added in the years 1993–1994 and 1994–1995.

Each group of students has had the same two teachers, classroom aide assigned to them for each of the three middle school years. The business partnership provides resources for the aides and the full-time consultant/director.

The teachers have altered traditional instructional methods and children have been taught subject material in integrated units. Each unit is related to a real work situation and the students problem-solve by applying researched information from all of the basic subjects.

In addition, the students visit work sites and receive mentoring from members of private industry. The students participated in a two-day Business Exposition each year. After training, the students presented and described services and products to visitors.

Project Connections students receive academic and emotional support from their teachers, peers and their business mentors.

Most importantly, however, the students develop an observable, measurable increase in self-esteem and self-worth. In the words of a student, "You should have seen me before this program. I was a mess." Another student told me, "I want to learn now, because I understand why I've got to learn stuff."

Teamwork, team building, cooperative learning and integrated learning are all important aspects of Project Connections. They are the foundation for the curriculum.

The student developed motto, "Sometimes we lead. Sometimes we follow" is an appropriate description of the desired outcomes of this exciting program. It truly identifies those attitudes and characteristics workers must take with them into the workplace.

The deliberate nurturing of talent and energy at an early age will propel these students through adolescence into productive adulthood. Project Connections gives a whole new meaning to the word relevance. Thank you.

[The prepared statement of Mr. Van Newkirk follows:]

COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES
U.S. HOUSE OF REPRESENTATIVES

Testimony before the Subcommittee on
Postsecondary Education and Lifelong Learning
Howard P. "Buck" McKeon, Chairman
Friday, March 3, 1995, 9:00 A.M.

My name is Jack C. Van Newkirk and I am the superintendent of the School District of the City of York, Pennsylvania. I appreciate this opportunity to address the committee on the following three educational needs: first, school-to-work transition programs in the middle school; second, economically disadvantaged students' exposure to the world of work; and third, partnerships between private industry and school districts.

There is a need for school-to-work transition programs in the middle school. Eleventh grade is too late to initiate discussion about "work." We cannot assume students will commit to training programs in their high school years if their goals do not include the world of work or if they have not been exposed to what work is. An eagerness about learning still exists in the middle school years that we should accentuate. Family discussions about the day's activities at school and work no longer take place around many of America's dinner tables. In fact, the evening sit down dinner has given way to a zap of the microwave and numerous social and recreational activities. Public media, teen magazines and the music industry distort the everyday world and many of our students believe all that one needs to become successful is the right pair of sneakers or the right soft drink. If the schools are to be successful in preparing students to be productive citizens in the future, schools must assist students in developing a frame of reference on which to base real choices and real goals.

The second issue, the need for economically disadvantaged students to experience exposure to the world of work, is very clear in my district. We have a racially diverse population, 65.9% of which are enrolled in the free and reduced national lunch program. Children living in poverty have as many natural talents and abilities as those living in affluence. Poverty, however, is often a barrier to the entrance for the world of work.

It is imperative that young people be taught or exposed to the inherent value of work or the value of being productive. When such opportunities or basics are absent in a home, opportunities must exist for same to be acquired in another forum. The schools must somehow assist in eradicating hopelessness and building aspirations.

Hence, the need of a partnership between schools and private industry. Schools can teach the basic educational skills but until students see the relevance of learning those skills the skills have no value. The entire community must take ownership in preparing our youth for tomorrow.

The School District of the City of York has been fortunate in having Mr. Arthur Glatfelter as a friend. As he has described, his leadership enabled our district to enter into a partnership with private industry in York to develop the Project Connections Pilot Program. In 1992-93, fifty randomly selected sixth graders at Hannah Penn Middle School, 41% African-American, 21% Latino-American and 38% Euro-American, took part in the program. Approximately 69% of the students met the definition of economically disadvantaged. Additional groups of fifty were added in 1993-94 and 1994-95. There is now a total of one hundred fifty students. Each group of students has the same two teachers and classroom aide assigned to them for each of the three middle school years. The business partnership provides resources for the aides and a full-time consultant/director.

The Project Connections teachers have altered traditional instructional methods and children have been taught subject material in integrated units. Each unit is related to a real work situation and the students "problem solve" by applying researched information from all of the basic subjects. In addition, the students visit work sites and receive mentoring from members of private industry. The students participated in a two-day Business Expo. After training, the students presented and described services and products to Expo visitors. Project Connections students receive academic and emotional support from their teachers, peers and business mentors. A strong "mutual admiration society" develops between the students and mentors. Most importantly, however, the students develop an observable, measurable increase in self-esteem and self-worth. In the words of a student, "You should have seen me before this program. I was a mess." Another student told me, "I want to learn now 'cause I understand why I've got to learn stuff."

Teamwork, team building, cooperative learning and integrated learning are all important aspects of Project Connections. They are the foundation for the curriculum. The student-developed motto, "Sometimes we lead, sometimes we follow" is an appropriate description of the desired outcome of this exciting program. It truly identifies those attitudes and characteristics workers must take with them into the workplace.

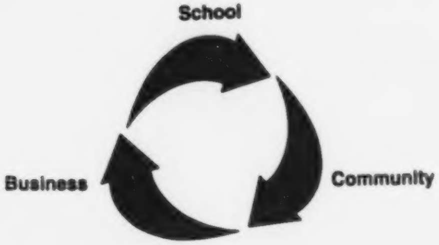
The deliberate nurturing of talent and energy at an early age will propel these students through adolescence into productive adulthood.

4.

Project Connections gives a whole new meaning to the word relevance.

Respectfully submitted,
Jack C. Van Newkirk, Ed.D.

Project Connections


School
Business
Community

An idea whose time has come ...

Developed in partnership by
The School District of the City of York
Glatfelter Insurance Group
The Hostetter Group

Goal

To develop a benchmark project of educational opportunity which will focus on students' positive attitudes toward self, school, work and community.

Objectives

Students will:

- Learn the concept and value of work.
- See that learning and changing are part of productive living and working.
- Acquire the skills and attitudes required to obtain, maintain and change jobs (punctuality, dependability, team work, honesty and pride in work).
- Experience the application of workplace and community place values, ethics and responsible decision making.
- Experience the application of knowledge from school to business and the community.

Project Connections Defined

It is a:

- **Parental choice option in public schools.**
- **Demonstration model for grades 6,7,and 8; Pilot - 1992-93 Grade 6, 50 students.**
- **Link between school, work and community with emphasis on integrated skills, field experiences and community service.**

How Will the Project Work?

- **Non-traditional instructional team in an *equal* partnership of teachers, business, community and service mentors.**
- **Parental commitment and ongoing involvement.**
- **Student commitment to attendance, punctuality, dependability, honesty and achievement.**
- **"Hands-on" experiences in school, real-life experiences in community and service.**

Outcomes

Students will:

- Understand the concept and value of work.
- Experience the application of ethical decision making as related to school, work and service.
- Learn that school, business and community are interdependent.
- Learn and experience the importance of quality relationships.
- Experience the application of knowledge from school to business and the community.
- Learn the concept of individual contribution to quality of products and services.

Chairman McKEON. Thank you very much. What those buzzers and lights mean are that we have a vote. Probably rather than get started on another one, we will run and vote, and then come right back, if we could ask your patience. Thank you.

[Recess]

Chairman McKEON. We'd better get right on with this, because there will be another vote coming up. So Ms. Carreon.

STATEMENT OF SUSAN CARREON, DEAN OF VOCATIONAL EDUCATION, GOLDEN WEST COMMUNITY COLLEGE, HUNTINGTON BEACH, CALIFORNIA

Ms. CARREON. Thank you, Chairman McKeon. I am pleased to have the opportunity to speak with you about the dramatic impact that Tech Prep has had on educational reform in our local area. I have had over 21 years of experience in education, as well as several years working as a Registered Nurse in the health care industry.

As you are well aware, the purpose of the Perkin's legislation is to make our country more competitive in a global economy. It is my opinion, and that of many of my colleagues, that Tech Prep has done more toward accomplishing that goal than any other part of that Act.

Tech Prep funds have supported a groundswell of educational reform effort across this country, the like of which I have never seen before.

Though Tech Prep was intended to develop the technical and academic skills of the middle 50 percent of our students, it has affected changes in education that have benefited all students.

The Coast Community College District Tech Prep Consortium consists of the three colleges in our district, as well as 21 high schools, including over 30,000 students and over 200 business and industry partners. We are located in Orange County. You may have heard about our recent financial crisis. You may not know that our demographics, as in most of California, are changing drastically.

For example, at my college, over 50 percent of our students are now minority students. Many of these students, as well as many of our caucasian population, have been arriving at our door lacking the basic skills needed to succeed in college level work.

I would like to discuss some of what I consider to be the major impacts of Tech Prep. One impact in the Orange County area is on new partnerships. I am talking about linkages between the high schools and community colleges, between academic and vocational teachers, and between education and industry.

Tech Prep has brought the high school faculty and the community college faculty together in new ways. This includes those who teach in the traditional academic subjects and those who teach in the vocational areas.

It has brought them all together where they have worked for intensive periods of time, to hammer out a seamless curriculum so that our students would not have to repeat learning, and that learning would be progressive and sequential, and that it is an efficient and effective way of preparing tomorrow's workforce.

The other relationship that has been enhanced is that of working with business and industry. In fact, we have over 200 companies, as well as our Chamber of Commerce, involved in our Tech Prep Consortium.

When we began to develop the curriculum, the first thing we did was listen to the skills that our business and industry partners wanted to see in their employees. It was their input that drove the development of the curriculum and they were actively involved on our curriculum teams.

In addition to the newly enhanced partnerships, perhaps the most significant impact of Tech Prep is that we have seen dramatic changes in the way our teachers deliver instruction, and the way students learn.

The reason why Tech Prep has been so successful is because of what we call Applied Academics. It has turned teachers on to teaching, because they are looking at student learning in a new way. It is connecting the head and the hands, and teaching concepts in a real world context.

Suddenly, our students are not asking the question any more, "Why do I need to learn this?" because of the way our teachers are teaching, especially in the traditional academic areas, our students now understand why they are going to use that content when they get into the world of work, and they are getting excited about learning.

One of the other hats that I wear in California is as President of the California Community College Association for Occupational Education. In that role, I worked with our State Council on Vocational Education to hold a hearing, so that our practitioners in the field could have input into what they feel has worked for them in the 1990 Carl Perkins legislation, and what they feel needs to be changed.

When asked the question, "What has worked?" unanimously, Tech Prep was mentioned first. Tech Prep has been very successful in California. I would say that it has been the most effective of any Federal legislation that I have observed.

My only concern is that all of this excitement that has been generated and all of this reform is not yet finished. Several of our high schools are not at the level of implementation that Westminster is. Our community colleges are just beginning to address the needed changes.

Mr. Chairman and Members of the subcommittee, as you can see, the Tech Prep funds have had a significant impact on our programs at the local level. This is repeated nationally in over 1,200 locally driven consortia.

We understand that Congress is considering eliminating funding for the Tech Prep program, and putting it into a block grant to the States. I have two concerns about this course of action.

One, I am worried that the confusion and disarray that will exist at the local level as funds devolve to the States, and all guidance is removed. I am not a proponent of overregulation, but I do believe we need Federal guidelines and clear expectations at the Federal level.

This brings me to my second point. If the Congress creates one block grant for vocational education, that block grant should be based on the vision and overall concept of the Tech Prep program.

Tech Prep is working. It is the best use of the taxpayers' dollar.

[The prepared statement of Ms. Carreon follows:]

TESTIMONY - SUMMARY OUTLINE

Dr. Susan Carreon
Administrative Dean, Career Education & Grants
Project Director, CCCD Tech Prep Consortia
Golden West College - Huntington Beach, California

I **Tech Prep is the Most Successful Example of the Goal of 1990 Perkins.**

- A. Supported educational reform of a huge magnitude in California and Nation.
- B. Though targeting middle 50%, it has benefited all students.

II **Examples of Local Impact in Coast Community College District Tech Prep Consortia.**

- A. Enhanced new active and involved partnerships.
  - 1. Secondary - Post-Secondary
  - 2. Academic Teachers - Occupational Teachers (at both educational levels)
  - 3. Education - Industry
- B. Dramatic Changes in Delivery of Instruction ("Applied Academics").
  - 1. Teachers excited about teaching - (Coast Community College District Integrated Academics Training Center trained over 400 teachers.)
  - 2. Student learning and interest in learning increased - classroom more connected to workplace.
  - 3. Incorporating workplace experience (beneficial for faculty and students).

III **Recommendations:**

- A. Tech Prep is the best model for School-To-Work and for reaching Perkins' goal.
- B. Block grants with State control may hinder a nationally- coordinated quality educational reform effort.
- C. Guidelines for any Perkins' block grants should be based upon Tech Prep- we need to ensure that these successful efforts continue.

Coast Community College District
TECH PREP ***Consortium***

15744 Golden West Street • P.O. Box 2748 • Huntington Beach CA 92647-2748 • Telephone (714) 895-8216 • Fax (714) 895-8930

STATEMENTS BY
DR. SUSAN B. CARREON
ADMINISTRATIVE DEAN, CAREER EDUCATION & GRANTS
PROJECT DIRECTOR, CCCD TECH PREP CONSORTIA
GOLDEN WEST COLLEGE - HUNTINGTON BEACH, CALIFORNIA

and

PAUL E. MASHBURN
VOCATIONAL COORDINATOR, HUNTINGTON BEACH U.H.S. DISTRICT
PROJECT CO-DIRECTOR, CCCD TECH PREP CONSORTIA
WESTMINSTER HIGH SCHOOL DRAFTING INSTRUCTOR
WESTMINSTER, CALIFORNIA

before the

Subcommittee on Post Secondary Education, Training and Life Long Learning
Education and Economic Opportunities Committee

March 3, 1995

Coastline Community College • Golden West College • Orange Coast College • Huntington Beach Union High School District
Newport-Mesa Unified School District • Coastline ROP • Business & Industry

TESTIMONY

Chairman McKeon, members of the Subcommittee, I am **Dr. Susan Carreon**. I am Administrative Dean of Career Education at Golden West College in Huntington Beach, California, and also the Project Director for the Coast Community College District Tech Prep Consortium, one of 85 local consortia in the State of California and one of more than 1,200 Tech Prep consortia across the country. I am pleased to have the opportunity to speak with you about the dramatic impact that the Tech Prep set-aside in the Perkins legislation has had on educational reform in our local area. I have had over 21 years of experience in education as well as several years working as a Registered Nurse in the health care industry. As you are well aware, the purpose of the 1990 Perkins' legislation was and is to "make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population." It is my opinion, and that of many of my colleagues, that Tech Prep has done more toward accomplishing that goal than any other part of that Act. Tech Prep funds have supported a groundswell of educational reform effort across this country, the like of which I have never seen before. And, though Tech Prep was intended to develop the technical and academic skills of the middle 50% of our students, it has effected changes in education that have benefited all students!

I would like to take this opportunity to tell you a little bit about some of the impact that Tech Prep has had in our local consortium and then my partner, Mr. Paul Mashburn, from Westminster High School in Westminster, California, would like to have the opportunity to share with you some specific instances of positive changes that teachers and students have experienced because of Tech Prep.

The Coast Community College District Tech Prep Consortium consists of the three community colleges in the Coast Community College District (Golden West College, Orange Coast College, and Coastline Community College). It also includes three high school districts (including 21 high schools and over 30,000 students), Coastline Regional Occupational Programs (CROP), and over 200 business and industry partners. We are located in Orange County in Southern California - you may have heard about our recent financial crisis. You may not know that our demographics, as in most of California are changing drastically. For example, at my college, Golden West College, over 50% of our students are now minority students. Many of these students, as well as many of our Caucasian population, have been arriving at our door lacking the basic skills needed to succeed in college-level work. We began our efforts in Tech Prep in 1992 when we began planning and curriculum development activities. It was not until the 1993-94 school year that students began to actually experience the exciting new teaching methodology that Tech Prep promotes...what we commonly call "Applied Academics." Those Tech Prep students who began with our first class are now seniors in high school and will be coming to the community colleges in the Fall of 1995. The community colleges are currently making curricular changes to ensure the successful completion of the Associate Degree for these newly motivated and better prepared students.

I would like to discuss some of what I consider to be the major impacts of Tech Prep in our local area. One major effect that Tech Prep has had in the Orange County area is the impact on new partnerships, and I am talking about linkages between the high schools and community colleges, between academic and vocational teachers, and between education and industry. When I first came to Golden West College as a Dean of Career Education in 1990, I knew the high school districts were out there and we had some very successful 2+2 and 2+2+2 articulation agreements in place, but the communication between the faculty at the high schools and the faculty at the community colleges was limited to say the least...oftentime to one meeting a year where we hammered out articulation agreements. Tech Prep has brought the high school faculty and the community college faculty together in new ways; this includes those who teach in the traditional academic subjects and those who teach in the vocational areas. It has brought them all together where they have worked for intensive periods of time to hammer out a seamless curriculum so that our students would not have to repeat any learning and that learning is progressive and sequential, and is efficient and effective in preparing tomorrow's workforce. This has caused some significantly new and positive relationships for us and one of the side effects was that a year ago, for Staff Development Day, over 700 of our Golden West College faculty and the Huntington Beach Union High School District faculty actually shared staff development day. This was unheard of before Tech Prep. I already mentioned the new relationships between academic and vocational education but I can't stress enough how much Tech Prep has done to promote the integration of academic and vocational education. These two groups would never speak to one another and certainly would never coordinate learning for students. Because of Tech Prep our academic teachers and our vocational teachers are now working together to develop curriculum and it has enhanced both areas of our campus. Now our academic teachers are incorporating workplace concepts into their teaching, and likewise our vocational teachers are paying more attention to the academic skills that our students need.

The other relationship that has been enhanced is that of working with business and industry...in fact, we have over 200 companies as well as our Chamber of Commerce involved in our Tech Prep Consortium. When we began to develop the curriculum, the first thing we did was to listen to the skills that our business and industry partners wanted to see in their employees. It was their input that drove the development of the curriculum and they were actively involved on our curriculum development teams. Recently, in attempts to incorporate our Tech Prep efforts with the new School-To-Work legislation, we have made great strides in working with our business and industry partners to develop a hierarchy of workplace learning experiences for our students which can include things such as job shadowing and mentoring and continue along a hierarchy toward more long-term involvement and experience in industry. For a long time we have had successful cooperative work experience programs at our colleges; however, Tech Prep has stimulated much more emphasis on making sure students and faculty have early experiences in the workplace.

Another area, and I think maybe it is the most significant impact of Tech Prep, is that we have seen dramatic changes in the way our teachers deliver instruction and the way students learn. The reason why Tech Prep has been so successful is because of the "Applied Academics" concept. It has turned teachers "on" to teaching because they are looking at student learning in a new way. It is "connecting the head and the hands" and teaching concepts in a "real world" context. Suddenly our students are not asking the question any more, "Why do I need to learn this?" Because of the way our teachers are teaching, especially in the traditional academic areas, our students now understand how they are going to use that content when they get into the world of work and they are getting excited about learning. Our Coast Community College District Tech Prep Consortium has initiated the Integrated Academic Training Center to train teachers in this new Applied Academics teaching methodology. As of next week we will have trained over 400 California teachers from the Sciences, from Math, from English and Communications in this new "real world" learning methodology. Teachers who complete this training are excited, and they bring this excitement back to the classroom! We are seeing dramatic changes in the way education is delivered and, most important, it is affecting student learning. I might mention that this Training Center was first developed by us because we perceived that there was a need for it in Southern California. Now we are beginning to have teachers come to us from all over California and we even have waiting lists for our classes. There is obviously a hunger for teachers to learn this new method that is exciting students so much.

Tech Prep has stimulated new excitement in education in California and the Nation such as I have never seen before. Tech Prep had State conferences with attendees numbering from over 800 to over 2,000. National conferences have drawn over 4,000 attendees. I could go on and on about the dramatic impact that Tech Prep has had; it has definitely been positive and, as far as I am concerned, it is the best model that we have for School-To-Work. One of the things we have found is that, in many of our California high schools, Tech Prep has complemented a State-driven restructuring effort around career pathways which, coupled with the new teaching methodology, has been beneficial to all students.

One of the other "hats" that I wear in California is as President of the California Community College Association for Occupational Education. In that role I worked with our State Council on Vocational Education to hold a hearing so that our practitioners in the field could have input into what they feel has worked for them via 1990 Carl Perkins legislation and what they feel needs to be changed. When asked the question, "What has worked?" almost unanimously "Tech Prep" was mentioned first. Tech Prep has been very successful in California. I would say that it has been the most effective of any Federal legislation that I have observed. My only concern is that all of this excitement that has been generated and all of this reform is not yet finished. Several of our high schools are not at the level of implementation that Westminster High School is. And our community colleges are just beginning to address the needed curricular changes to build upon the increased skills of entering Tech Prep students. All of this effort requires financial support to free techers from their demanding schedules and allow them to work together with business and industry to complete this work.

Mr. Chairman and members of the Subcommittee, as you can see, the Tech Prep funds have had a significant impact on our educational programs at the local level. This is repeated nationally in over 1,200 locally-driven Tech Prep consortia. We understand that the Congress is considering eliminating funding for the Tech Prep program and putting it into a vocational education block grant to the States. I have two concerns with this course of action that I would like to share with you.

First, I am worried about the confusion and disarray that will exist at the local level as funds are devolved to the States and all guidance is removed. While I am no proponent of over-regulation, I believe it is important that the Federal government concern itself with the quality of educational programs it is funding. Congress should set clear expectations and outcomes for States and local communities in terms of what we should achieve by using Federal vocational education dollars. While we appreciate your trust in the ability of local education agencies to develop good programs, many at the local level need a broader view of change, general guidelines, and technical assistance as has been provided with the Tech Prep program, to succeed.

This brings me to my second point. If the Congress creates one block grant for vocational education, the guidelines for the block grant should be based on the vision and overall concept of the Tech Prep program. No other program deals with curriculum and teaching reform, integration of academic and occupational education, linkages between secondary and postsecondary schools, career exploration and pathways, worksite learning, and involvement of business the way Tech Prep does. Tech Prep can work for all students; it opens doors for all students, and it should be the basis for any Federal vocational educational program.

Bottom line - Tech Prep is working to effect major educational reform - it is the best use of the taxpayer's dollar that I have ever been involved with. Over the years I have seen several educational reform efforts but not one of them has come close to capturing the educational and business communities like Tech Prep has. We do not want to lose the good things that are happening, and this good work is not yet done. In my opinion, it would be a waste of the taxpayer's dollar to let the financial support be dropped in the middle of such a successful reform effort.

[QUESTION PERIOD]

[illegible]

TESTIMONY

Mr. Chairman, members of the Subcommittee, I am **Paul Mashburn**, a teacher at Westminster High School in the Huntington Beach Union High School District in Westminster, California. I would like to share with you my perspective of Tech Prep and how Tech Prep has positively changed my school. I have been a teacher at Westminster High School for 28 years and have seen numerous reform movements come and go. Of all of these, Tech Prep has made the greatest impact. Tech Prep has linked business, high schools, Regional Occupational Programs, and community colleges into a partnership never experienced before. This new partnership and Tech Prep have given us the opportunity to develop and implement real world applied curriculum for students.

Westminster High School's demographics includes students from the Pacific Rim with approximately one-third Caucasian, one-third Latino, and one-third Asian. Last year, Westminster High School was recognized as a National Blue Ribbon High School and the Science Department received National recognition as one of the top three science programs in the United States by the National Teachers' Association.

The restructuring efforts started four years ago when Westminster High School wrote for and received a Carl Perkins' Investment Grant from the State which provided time during the Summer for teachers from all discipline areas to meet and develop a dream for our school. The dream was to develop a school curriculum which would give all students the ability to be competitive in a global economy with an emphasis on the Pacific Rim. For all students to be competitive, the following changes needed to be instituted:

1. Each student will focus their high school curriculum around a Career Pathway.

2. Cross integration of curriculum between departments so students could see a common theme from one class to the next.

3. Curriculum needed to be developed for the middle 50% of the students rather than the existing curriculum which was designed for the top 20% of students.

This is where the Tech Prep Applied Academic Courses played a major impact on the dream for our school. Over the past three years, the Applied Academics Courses have been piloted and then infused into the curriculum for this middle 50% of the student body but have benefited all our students.

In the past four years, there have been many dramatic changes with the addition of Career Pathways and the Tech Prep Applied Academic courses. The State of California and our local School Board require only two years of Science for graduation from high school but, since the implementation of the Tech Prep Applied Biology, Chemistry, and Physics into the curriculum, there has been an increase of 600% of traditionally "high risk" students enrolled in a third year of Science.

Prior to Tech Prep in the area of Math, approximately 40% of the students failed a course called Basic Algebra (the traditional Algebra I course but slowed down and taught over a two-year period.) The Tech Prep Applied Math course takes the place of the Basic Algebra course and will be taught over a three-year time period which will also include Applied Geometry. When students finish the three-year Applied Math course, they will be ready for high school Algebra II or college Intermediate Algebra. I do not have statistics for success rates of our students in Math because we are in the process of piloting the second year of the three-year course. But I can tell you that the number of failures in the first year of the program were far less than that of the old basic Algebra program.

In the area of Applied Communication, the curriculum has been infused into the required four years of English classes. The new infused curriculum asks students to resolve conflict, write resumes, problem-solve, and communicate and address other workplace-related topics. I have heard more positive comments about the new Applied curricula from the English teachers than from any of the other Applied areas.

With about one-third of our teachers having been trained in Applied Academics, Tech Prep has given our teachers the ability to move out of the four walls of their classroom to explore and integrate curriculum with other subject areas and with workplace-relevant applications. They had the opportunity to look at a bigger picture for students which includes other curriculum on our campus, other curriculum at the Regional Occupational Programs, private trade schools, community colleges, four-year colleges and universities, and local and Pacific Rim businesses and industries.

I would like to tell you about two Tech Prep students who are now attending community colleges. The first one is about a student who in her sophomore year of high school chose the Health Career Pathway. In her freshman year, she was a true at-risk student because of attendance and other related problems. When she chose a career focus in the sophomore year, her attendance was still sporadic but, as the Applied Academic Courses were introduced into the curriculum and the courses became more integrated around the theme of Health Care, she became "turned on" to school and her attendance problems disappeared. She is now enrolled in a Nursing Program at the community college. The other student I would like to tell you about is a student who was working part-time while attending high school. The student was having difficulty getting along with her supervisor at work. In her English class, the Applied Communication unit on "How to Communicate and Resolve Conflict in the Workplace" was of special interest to her and she shared the curriculum and her thoughts with her supervisor at work. Her supervisor was so impressed with the student and curriculum that she got in contact with the high school to commend us on the student's actions and the new curriculum. This student is now enrolled in a Business Program at the community college and continues to work part-time.

I would like to close by echoing some of the items which Dr. Carreon shared. Tech Prep has made a major impact at Westminster High School through new partnerships and linkages between high schools and the community colleges, between academic and vocational teachers, and between education and business and industry. Many positive things are happening because of Tech Prep, and I would encourage your financial support for the continuation of the Tech Prep Program.

Thank you very much for this opportunity to appear before you. I will be happy to answer any questions that you might have.

[QUESTION PERIOD]

testimon.pm

Chairman McKEON. Thank you. Mr. Mashburn.

STATEMENT OF PAUL MASHBURN, COMPUTER ASSISTED DRAFTING COORDINATOR, WESTMINSTER HIGH SCHOOL, WESTMINSTER, CALIFORNIA

Mr. MASHBURN. Mr. Chairman and Members of the subcommittee. I am Paul Mashburn, and I am a high school teacher. I have taught at Westminster High School for 28 years. I would like to share with you, or actually become a cheerleader for Tech Prep and what it has done for Westminster High School.

The teachers at Westminster High School have seen reform Acts come and go. But the one thing that I would like to say is the Tech Prep has linked the business, the high schools, the regional occupational programs, the community colleges, into partnerships which have never been experienced before.

The Tech Prep program has made the greatest impact of any of these reform movements that I have seen in my 28 years.

Demographically, Westminster High School is made up of approximately one-third caucasians, one-third Latinos, and one-third Asians. Last year, Westminster High School was recognized as a national blue ribbon school, and the science department received national recognition as one of the top three science programs in the United States, by the National Teachers Association.

Restructuring efforts started four years ago at Westminster High School. At that time, Westminster wrote for a grant, a Carl Perkins Investment Grant, through the State and received that, which allowed teachers time in the summertime to take and try to come up with a dream for Westminster High School.

That summer, they developed three goals to be met. One was that each student must focus their high school curriculum around a career pathway.

The second was cross-curricular integration of curriculum between departments, so students could see a common theme from one class to the next.

Curriculum needed to be developed, the third, the curriculum needed to be developed for the middle 50 percentile of the students, rather than the existing curriculum which was designed for the top 20 percent of our students.

This is where Tech Prep and the Applied Academics played a major impact on the dream for Westminster High School.

Over the past three years, the applied academics courses have been piloted and infused into the curriculum for this middle 50 percent. But I would say also, that the other students, the top 25 percent or 20 percent, have been benefited also.

In the past four years, we've seen dramatic changes with the addition of these career pathways and the Tech Prep.

The State of California and our local school board requires only two years of science as a requirement for graduation. Typically, the middle 50 percent will take two years and then that's it.

But with the addition of the Tech Prep curriculum, we have seen over a 600 percent increase in students taking a third year of science.

In the math area, we had what was called a basic algebra class. In that basic algebra class, which was a slowed down Algebra I class over a two-year period, we found that 40 percent of our students were not successful in that. In other words, they failed.

With the implementation of this new applied academics course, which is a math class which will go for three years, the students, I don't have exact figures, but I will tell you, because we haven't done three years yet, but students are being much more successful in this, with a failure rate instead of 40 percent, somewhere in the neighborhood of about 10 percent.

When students finish this applied academics curriculum, they will be ready for Algebra II or in the community college, the intermediate algebra.

In the area of the applied communications, which has been infused into the curriculum over the four year period, we have found that many of the students are very, very successful with it, and are finding more meaning with the curriculum.

Does that mean vote again? I'm almost done. Do you want me to stop? Okay.

With their curriculum, and we found that of all of the subject areas, the teachers coming from the English departments are probably more positive about that curriculum than any other.

I would like to tell you about a couple of students that we have had go through our program. One is now, well, they are both freshmen in the community college.

One in her freshman year was a true at-risk student, because of attendance and other related problems. When she chose a career focus in her sophomore year, her attendance was still sporadic, but the applied curriculum courses were at that time introduced. She selected the health careers and she became turned on to school and her attendance problems disappeared.

The second student I will tell you about is a student that was in the Applied Communications course, was having problems at a part-time job, where she was having problem with an employer.

In the curriculum, the Applied Academics curriculum, there is a unit on how to communicate and resolve conflict in the workplace. She shared this with her supervisor, and her supervisor was so impressed that the conflicts were resolved between herself and the employer. She is now enrolled in a business course at the community college and is still working part-time.

I would like to echo some of the things that Dr. Carreon talked about. The partnerships and how important those are. I would like to tell you that many positive things are happening at Westminster High School because of the Tech Prep Program. Thank you.

[The prepared statement of Paul Mashburn follows:]

Coast Community College District
TECH PREP *Consortium*

15744 Golden West Street ■ P.O. Box 2748 ■ Huntington Beach CA 92647-2748 ■ Telephone (714) 895-8216 ■ Fax (714) 895-8530

STATEMENTS BY
DR. SUSAN B. CARREON
ADMINISTRATIVE DEAN, CAREER EDUCATION & GRANTS
PROJECT DIRECTOR, CCCD TECH PREP CONSORTIA
GOLDEN WEST COLLEGE - HUNTINGTON BEACH, CALIFORNIA

and

PAUL E. MASHBURN
VOCATIONAL COORDINATOR, HUNTINGTON BEACH U.H.S. DISTRICT
PROJECT CO-DIRECTOR, CCCD TECH PREP CONSORTIA
WESTMINSTER HIGH SCHOOL DRAFTING INSTRUCTOR
WESTMINSTER, CALIFORNIA

before the

Subcommittee on Post Secondary Education, Training and Life Long Learning
Education and Economic Opportunities Committee

March 3, 1995

Coastline Community College ■ Golden West College ■ Orange Coast College ■ Huntington Beach Union High School District
Newport-Mesa Unified School District ■ Coastline ROP ■ Business & Industry

TESTIMONY

Chairman McKeon, members of the Subcommittee, I am **Dr. Susan Carreon**. I am Administrative Dean of Career Education at Golden West College in Huntington Beach, California, and also the Project Director for the Coast Community College District Tech Prep Consortium, one of 85 local consortia in the State of California and one of more than 1,200 Tech Prep consortia across the country. I am pleased to have the opportunity to speak with you about the dramatic impact that the Tech Prep set-aside in the Perkins legislation has had on educational reform in our local area. I have had over 21 years of experience in education as well as several years working as a Registered Nurse in the health care industry. As you are well aware, the purpose of the 1990 Perkins' legislation was and is to "make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population." It is my opinion, and that of many of my colleagues, that Tech Prep has done more toward accomplishing that goal than any other part of that Act. Tech Prep funds have supported a groundswell of educational reform effort across this country, the like of which I have never seen before. And, though Tech Prep was intended to develop the technical and academic skills of the middle 50% of our students, it has effected changes in education that have benefited all students!

I would like to take this opportunity to tell you a little bit about some of the impact that Tech Prep has had in our local consortium and then my partner, Mr. Paul Mashburn, from Westminster High School in Westminster, California, would like to have the opportunity to share with you some specific instances of positive changes that teachers and students have experienced because of Tech Prep.

The Coast Community College District Tech Prep Consortium consists of the three community colleges in the Coast Community College District (Golden West College, Orange Coast College, and Coastline Community College). It also includes three high school districts (including 21 high schools and over 30,000 students), Coastline Regional Occupational Programs (CROP), and over 200 business and industry partners. We are located in Orange County in Southern California - you may have heard about our recent financial crisis. You may not know that our demographics, as in most of California are changing drastically. For example, at my college, Golden West College, over 50% of our students are now minority students. Many of these students, as well as many of our Caucasian population, have been arriving at our door lacking the basic skills needed to succeed in college-level work. We began our efforts in Tech Prep in 1992 when we began planning and curriculum development activities. It was not until the 1993-94 school year that students began to actually experience the exciting new teaching methodology that Tech Prep promotes...what we commonly call "Applied Academics." Those Tech Prep students who began with our first class are now seniors in high school and will be coming to the community colleges in the Fall of 1995. The community colleges are currently making curricular changes to ensure the successful completion of the Associate Degree for these newly motivated and better prepared students.

I would like to discuss some of what I consider to be the major impacts of Tech Prep in our local area. One major effect that Tech Prep has had in the Orange County area is the impact on new partnerships, and I am talking about linkages between the high schools and community colleges, between academic and vocational teachers, and between education and industry. When I first came to Golden West College as a Dean of Career Education in 1990, I knew the high school districts were out there and we had some very successful 2+2 and 2+2+2 articulation agreements in place, but the communication between the faculty at the high schools and the faculty at the community colleges was limited to say the least...oftentime to one meeting a year where we hammered out articulation agreements. Tech Prep has brought the high school faculty and the community college faculty together in new ways; this includes those who teach in the traditional academic subjects and those who teach in the vocational areas. It has brought them all together where they have worked for intensive periods of time to hammer out a seamless curriculum so that our students would not have to repeat any learning and that learning is progressive and sequential, and is efficient and effective in preparing tomorrow's workforce. This has caused some significantly new and positive relationships for us and one of the side effects was that a year ago, for Staff Development Day, over 700 of our Golden West College faculty and the Huntington Beach Union High School District faculty actually shared staff development day. This was unheard of before Tech Prep. I already mentioned the new relationships between academic and vocational education but I can't stress enough how much Tech Prep has done to promote the integration of academic and vocational education. These two groups would never speak to one another and certainly would never coordinate learning for students. Because of Tech Prep our academic teachers and our vocational teachers are now working together to develop curriculum and it has enhanced both areas of our campus. Now our academic teachers are incorporating workplace concepts into their teaching, and likewise our vocational teachers are paying more attention to the academic skills that our students need.

The other relationship that has been enhanced is that of working with business and industry...in fact, we have over 200 companies as well as our Chamber of Commerce involved in our Tech Prep Consortium. When we began to develop the curriculum, the first thing we did was to listen to the skills that our business and industry partners wanted to see in their employees. It was their input that drove the development of the curriculum and they were actively involved on our curriculum development teams. Recently, in attempts to incorporate our Tech Prep efforts with the new School-To-Work legislation, we have made great strides in working with our business and industry partners to develop a hierarchy of workplace learning experiences for our students which can include things such as job shadowing and mentoring and continue along a hierarchy toward more long-term involvement and experience in industry. For a long time we have had successful cooperative work experience programs at our colleges; however, Tech Prep has stimulated much more emphasis on making sure students and faculty have early experiences in the workplace.

Another area, and I think maybe it is the most significant impact of Tech Prep, is that we have seen dramatic changes in the way our teachers deliver instruction and the way students learn. The reason why Tech Prep has been so successful is because of the "Applied Academics" concept. It has turned teachers "on" to teaching because they are looking at student learning in a new way. It is "connecting the head and the hands" and teaching concepts in a "real world" context. Suddenly our students are not asking the question any more, "Why do I need to learn this?" Because of the way our teachers are teaching, especially in the traditional academic areas, our students now understand how they are going to use that content when they get into the world of work and they are getting excited about learning. Our Coast Community College District Tech Prep Consortium has initiated the Integrated Academic Training Center to train teachers in this new Applied Academics teaching methodology. As of next week we will have trained over 400 California teachers from the Sciences, from Math, from English and Communications in this new "real world" learning methodology. Teachers who complete this training are excited, and they bring this excitement back to the classroom! We are seeing dramatic changes in the way education is delivered and, most important, it is affecting student learning. I might mention that this Training Center was first developed by us because we perceived that there was a need for it in Southern California. Now we are beginning to have teachers come to us from all over California and we even have waiting lists for our classes. There is obviously a hunger for teachers to learn this new method that is exciting students so much.

Tech Prep has stimulated new excitement in education in California and the Nation such as I have never seen before. Tech Prep had State conferences with attendees numbering from over 800 to over 2,000. National conferences have drawn over 4,000 attendees. I could go on and on about the dramatic impact that Tech Prep has had; it has definitely been positive and, as far as I am concerned, it is the best model that we have for School-To-Work. One of the things we have found is that, in many of our California high schools, Tech Prep has complemented a State-driven restructuring effort around career pathways which, coupled with the new teaching methodology, has been beneficial to all students.

One of the other "hats" that I wear in California is as President of the California Community College Association for Occupational Education. In that role I worked with our State Council on Vocational Education to hold a hearing so that our practitioners in the field could have input into what they feel has worked for them via 1990 Carl Perkins legislation and what they feel needs to be changed. When asked the question, "What has worked?" almost unanimously "Tech Prep" was mentioned first. Tech Prep has been very successful in California. I would say that it has been the most effective of any Federal legislation that I have observed. My only concern is that all of this excitement that has been generated and all of this reform is not yet finished. Several of our high schools are not at the level of implementation that Westminster High School is. And our community colleges are just beginning to address the needed curricular changes to build upon the increased skills of entering Tech Prep students. All of this effort requires financial support to free techers from their demanding schedules and allow them to work together with business and industry to complete this work.

Mr. Chairman and members of the Subcommittee, as you can see, the Tech Prep funds have had a significant impact on our educational programs at the local level. This is repeated nationally in over 1,200 locally-driven Tech Prep consortia. We understand that the Congress is considering eliminating funding for the Tech Prep program and putting it into a vocational education block grant to the States. I have two concerns with this course of action that I would like to share with you.

First, I am worried about the confusion and disarray that will exist at the local level as funds are devolved to the States and all guidance is removed. While I am no proponent of over-regulation, I believe it is important that the Federal government concern itself with the quality of educational programs it is funding. Congress should set clear expectations and outcomes for States and local communities in terms of what we should achieve by using Federal vocational education dollars. While we appreciate your trust in the ability of local education agencies to develop good programs, many at the local level need a broader view of change, general guidelines, and technical assistance as has been provided with the Tech Prep program, to succeed.

This brings me to my second point. If the Congress creates one block grant for vocational education, the guidelines for the block grant should be based on the vision and overall concept of the Tech Prep program. No other program deals with curriculum and teaching reform, integration of academic and occupational education, linkages between secondary and postsecondary schools, career exploration and pathways, worksite learning, and involvement of business the way Tech Prep does. Tech Prep can work for all students; it opens doors for all students, and it should be the basis for any Federal vocational educational program.

Bottom line - Tech Prep is working to effect major educational reform - it is the best use of the taxpayer's dollar that I have ever been involved with. Over the years I have seen several educational reform efforts but not one of them has come close to capturing the educational and business communities like Tech Prep has. We do not want to lose the good things that are happening, and this good work is not yet done. In my opinion, it would be a waste of the taxpayer's dollar to let the financial support be dropped in the middle of such a successful reform effort.

[QUESTION PERIOD]

[illegible]

TESTIMONY

Mr. Chairman, members of the Subcommittee, I am **Paul Mashburn**, a teacher at Westminster High School in the Huntington Beach Union High School District in Westminster, California. I would like to share with you my perspective of Tech Prep and how Tech Prep has positively changed my school. I have been a teacher at Westminster High School for 28 years and have seen numerous reform movements come and go. Of all of these, Tech Prep has made the greatest impact. Tech Prep has linked business, high schools, Regional Occupational Programs, and community colleges into a partnership never experienced before. This new partnership and Tech Prep have given us the opportunity to develop and implement real world applied curriculum for students.

Westminster High School's demographics includes students from the Pacific Rim with approximately one-third Caucasian, one-third Latino, and one-third Asian. Last year, Westminster High School was recognized as a National Blue Ribbon High School and the Science Department received National recognition as one of the top three science programs in the United States by the National Teachers' Association.

The restructuring efforts started four years ago when Westminster High School wrote for and received a Carl Perkins' Investment Grant from the State which provided time during the Summer for teachers from all discipline areas to meet and develop a dream for our school. The dream was to develop a school curriculum which would give all students the ability to be competitive in a global economy with an emphasis on the Pacific Rim. For all students to be competitive, the following changes needed to be instituted:

1. Each student will focus their high school curriculum around a Career Pathway.

2. Cross integration of curriculum between departments so students could see a common theme from one class to the next.

3. Curriculum needed to be developed for the middle 50% of the students rather than the existing curriculum which was designed for the top 20% of students.

This is where the Tech Prep Applied Academic Courses played a major impact on the dream for our school. Over the past three years, the Applied Academics Courses have been piloted and then infused into the curriculum for this middle 50% of the student body but have benefited all our students.

In the past four years, there have been many dramatic changes with the addition of Career Pathways and the Tech Prep Applied Academic courses. The State of California and our local School Board require only two years of Science for graduation from high school but, since the implementation of the Tech Prep Applied Biology, Chemistry, and Physics into the curriculum, there has been an increase of 600% of traditionally "high risk" students enrolled in a third year of Science.

Prior to Tech Prep in the area of Math, approximately 40% of the students failed a course called Basic Algebra (the traditional Algebra I course but slowed down and taught over a two-year period.) The Tech Prep Applied Math course takes the place of the Basic Algebra course and will be taught over a three-year time period which will also include Applied Geometry. When students finish the three-year Applied Math course, they will be ready for high school Algebra II or college Intermediate Algebra. I do not have statistics for success rates of our students in Math because we are in the process of piloting the second year of the three-year course. But I can tell you that the number of failures in the first year of the program were far less than that of the old basic Algebra program.

In the area of Applied Communication, the curriculum has been infused into the required four years of English classes. The new infused curriculum asks students to resolve conflict, write resumes, problem-solve, and communicate and address other workplace-related topics. I have heard more positive comments about the new Applied curricula from the English teachers than from any of the other Applied areas.

With about one-third of our teachers having been trained in Applied Academics, Tech Prep has given our teachers the ability to move out of the four walls of their classroom to explore and integrate curriculum with other subject areas and with workplace-relevant applications. They had the opportunity to look at a bigger picture for students which includes other curriculum on our campus, other curriculum at the Regional Occupational Programs, private trade schools, community colleges, four-year colleges and universities, and local and Pacific Rim businesses and industries.

I would like to tell you about two Tech Prep students who are now attending community colleges. The first one is about a student who in her sophomore year of high school chose the Health Career Pathway. In her freshman year, she was a true at-risk student because of attendance and other related problems. When she chose a career focus in the sophomore year, her attendance was still sporadic but, as the Applied Academic Courses were introduced into the curriculum and the courses became more integrated around the theme of Health Care, she became "turned on" to school and her attendance problems disappeared. She is now enrolled in a Nursing Program at the community college. The other student I would like to tell you about is a student who was working part-time while attending high school. The student was having difficulty getting along with her supervisor at work. In her English class, the Applied Communication unit on "How to Communicate and Resolve Conflict in the Workplace" was of special interest to her and she shared the curriculum and her thoughts with her supervisor at work. Her supervisor was so impressed with the student and curriculum that she got in contact with the high school to commend us on the student's actions and the new curriculum. This student is now enrolled in a Business Program at the community college and continues to work part-time.

I would like to close by echoing some of the items which Dr. Carreon shared. Tech Prep has made a major impact at Westminster High School through new partnerships and linkages between high schools and the community colleges, between academic and vocational teachers, and between education and business and industry. Many positive things are happening because of Tech Prep, and I would encourage your financial support for the continuation of the Tech Prep Program.

Thank you very much for this opportunity to appear before you. I will be happy to answer any questions that you might have.

[QUESTION PERIOD]

[illegible]

BEST COPY AVAILABLE

Chairman McKEON. Thank you. You are learning quickly. We do have another vote. Let's run and do that and then we'll come right back. I appreciate your patience.

[Recess]

Chairman McKEON. Okay. Try to catch our breath here. Okay, is it Mr. Weckstein?

Mr. WECKSTEIN. Either is fine.

Chairman McKEON. Do you have a preference?

PAUL WECKSTEIN, CO-DIRECTOR, CENTER FOR LAW AND EDUCATION, WASHINGTON, DC

Mr. WECKSTEIN. Weckstein. I am Paul Weckstein, co-director of the Center for Law and Education. Our national VOCED Project helps communities and schools implement key parts of Perkins in School to Work in order to redirect their vocational education programs to meet their longer term educational and community needs.

Because of that, I am going to focus pretty much strictly on the high school portion of Perkins, and what we are seeing with its implementation.

First, the good. When schools and communities really understand this, exciting things begin to happen. We have seen when you bring academic and vocationl teachers together, and you put before them what we think are the key tasks already in the Perkins Act.

You say, "Come up with your own way to integrate academic and vocational education across the entire academic curriculum, in a way that gives students not just technical skills, but experience and understanding of all aspects of an industry, health industry, transportation industry."

"Plan it with the active involvement of other teachers, students, parents, the wider community, and make sure you build in ways that special population students, students from all populations can succeed and have the support they need to succeed in that core program."

Then the teachers get real energized and they a" the students get real invested, both in the school and in their communities, because often they do it through projects that the community really needs. They master literature, history, science, high level science, et cetera, in solving and understanding that industry's problems.

The results have been high achievement, higher college going, and higher attendance.

Now for the bad, or at least the indifferent. Far too few schools are doing this, basically because the task has never been put before them. Nobody has ever really given them clear understanding of what this Act in fact calls for. When it's not happening, nobody notices, let alone does anything about it.

Having said that, in thinking about what to suggest as you think about program consolidation and streamlining, I realized I could tell you the way to deal with fragmentation in high school vocational education would be to integrate academic and vocational education through a set of high quality program standards.

Integrate quality in equity, through making sure that the equity provisions are designed to help all students reach these high standards.

Integrate vocational education by broadening the vocational skills beyond technical skills, to focus on all aspects of an industry. Bring teachers, parents, students, and the wider community into the process. That would be a way to reduce fragmentation.

But that would be old news, because at least on a legislative level, you have already done it. That is what the basic Perkins Grant calls for.

It is not always easy to tell what position is really the position for dramatic change, and what's the position for the status quo.

I think here, the position for dramatic change is to keep working out of that core of the Perkins basic grant program, and making it happen in a way that is only beginning to happen now, rather than switching gears.

So when we look at consolidation, there are really two questions. What are we going to consolidate with what, and on what terms.

I think the key criterion for both is, what does it say to parents who want to know what is this program going to do for my child. We need to make sure consolidation gives them a clear answer, not a weaker one.

I think when you look at consolidation carefully, you'll see that combining school-based and non-school based programs in a way that puts control of the school-based programs outside the schools, in fact will undermine the potential of vocational education for what it's now in a key position to do. Namely, drive, help drive academic school reform.

On the other hand, if you think that the way to emphasize that part is by putting it all in an educational block grant, in which vocational education reform is optional, then I think that will in fact have the opposite effect. It will not strengthen academic and vocational education integration. It will leave vocational education out of the picture, and vocational education will remain in its status quo position.

So, that having been said, what are the keys. I have a sort of four by four model. Four key simple programmatic things that I think are necessary, and four levels at which to put them in.

One is, all aspects of the industry, which really is what is needed to broaden our skills, deal with economic change, broaden the academic base. I think Dr. Kappner's reference to Future Farmers of America was very interesting, because vocational agriculture has always taught all aspects of how to run a farm. That is a great historical model.

Second, integrate academic and vocational education. Third, make sure special population students get access to the programs and the services they need to success in this high quality program.

Fourth, build a bottom-up enforcement structure, where students, parents and teachers really understand how this program is supposed to work, and have the means to make sure it's working the way it is supposed to.

Build those things in at four levels. Program accountability standards, and I'd be happy to work with Mr. Gunderson and others. We have some thoughts about how to build that system.

Build it into an up-front planning process, because accountability standards in the end, by itself, won't work for a program that is already in place and serving kids this year.

Build it into the State role, and in particular, build it into the Federal role. The Federal Government has a particular role here, in making sure all students get equitably served.

It also has a critical R&D role. We are distressed to see notions that students will be better served if we just eliminate all the Federal structure. I don't think that is right. We need continuous improvement that only a Federal research and development role can play. Thank you.

[The prepared statement of Mr. Weckstein follows:]

PRESENTED BY PAUL WECKSTEIN, CO-DIRECTOR

I. INTRODUCTION -- WHAT WE DO

My name is Paul Weckstein. I am the co-director of the Center for Law and Education. I am most pleased to have this opportunity to testify before the Subcommittee on reform of workforce preparation programs. The Center for Law and Education works to improve the quality of public education for low-income students and to enable low-income communities to address their own public education problems effectively.

Our national VOCED Project -- Vocational Opportunity for Community and Educational Development -- has been working with communities and schools to help them understand and implement key parts of the current Perkins Act (along with the School-to-Work Act). We seek to assist communities in redirecting vocational education programs to better meet their long-term educational, social, and economic needs. We work intensively in selected communities around the country, provide more general assistance and information elsewhere, and work at state and national levels as well.

II. WHAT WE HAVE FOUND

I know that the Subcommittee is looking at many important aspects of both in-school and out-of-school programs, at both youth and adult levels, involving both education and training. I want to focus today on the vocational area where we have most experience -- in-school secondary programs and, in particular, on our experience working with the Perkins Vocational and Applied Technology Education Act since its passage in 1990.

In trying to help make any federal program work for students and communities, we are confronted with the fact that the quality and outcomes of a student's education depend upon a creative, individual process between student and teacher that cannot be created by federal, state, or central office regulation. At the same time, we have found that sensible federal program requirements and assistance can have a major impact on whether students have access to a high quality education and whether school systems have the wherewithal and impetus to provide it.

A. The good. When schools and communities really understand the core of the Act and are given time and help -- exciting things happen. Programs are restructured so that teachers and students design their own ways of exploring and learning all aspects of an industry, drawing in and developing the full range of academic skills -- often through starting up needed school-based enterprises or connecting in some other way to the community's economic development. Academic performance, completion, and post-secondary enrollment go up. Vocational education becomes a leading edge in overall academic school reform.

--We have seen what happens when you put academic and vocational teachers together and ask them to take on the following task (a rough paraphrase of what the current Perkins Act calls for) --

> "Come up with your own way to integrate academic and vocational education across the entire academic curriculum in a way that gives the students strong understanding of and actual experience in all aspects of an industry (such as the health industry or the transportation industry) -- not just technical and production skills, but also planning, finance, management, labor, community issues, underlying principles of technology, and health, safety, and environmental issues in that industry -- and plan it with the active involvement of teachers, students, parents, and the wider community and make sure you build in ways that students from all special populations will participate and succeed."

Teachers, along with their students, get very energized and become tremendously inventive -- particularly if you add to the mix that the curriculum projects can link school and community by engaging students in studying their community needs and resources and in working on viable economic development projects and enterprises, either in school or the workplace, to improve community life -- for example, starting a student-run credit union -- or by structured placements in work places outside the school. In addition to mastering technical skills, students bring literature, writing skills, math and science, and social studies to investigating and working on, for example, all aspects of the transportation industry -- its financing, the physics and chemistry of internal combustion engines, its history, etc. -- both in the industry at large and as they come up in a particular work place.

Where this kind of industry-based vocational education is implemented, the results have been higher academic achievement, higher rates of school attendance and completion, increased transition into higher education.

B. The bad, and the indifferent. Far too few schools -- including their principals, teachers, students, parents, and wider community -- have been given even a minimally adequate understanding of the core provisions of the Act. When those provisions are not implemented and the program is not succeeding, no one is an informed position to notice it, let alone take action. In this respect, the most notable feature of federal law is its absence, not its overbearing presence.[1]

III. ISSUES FOR HIGH SCHOOLS IN CONSIDERING PROGRAM CONSOLIDATION

A. The parent/student vantage point must be central -- "What can I count on from this program for my child?" -- in terms of program quality, equity, involvement in decisions that affect me, and recourse.

---

[1] A measure of this problem is that we have found that when school-level people are asked about federal requirements that are getting in their way, they invariably name requirements that actually came from the state or the central office or in fact are not required at all.

For parents and students, bureaucracy that is unresponsive or driven by considerations other than student need is a problem at any level -- at the school district central office or the state, as well as from the federal government. Indeed, a critical federal role is to ensure basic standards of fair and equitable treatment for individual students and parents who may be at a disadvantage in dealing with government authority.

1. Any program consolidation and streamlining proposal should be judged by whether it makes the answer to "What can I count on from the program for my child?" clearer and stronger or weaker or muddier -- in terms of key quality, equity, and involvement standards, or provisions for effective recourse for parents and students.

Streamlining can help students and parents when program services are fragmented or conflicting. (As will be discussed below, since 1990, the Perkins basic grant is itself now a schoolwide, integrated program.) Streamlining which eliminates or weakens key provisions for program quality, equitable access and services, student and parent involvement, or effective means of recourse would be a step backward.

2. Clear performance accountability standards for quality, equity, and involvement are important. But, because of the time line involved in fully implementing outcome-based accountability, these standards cannot by themselves be the answer to "What can I expect for *my child* from this program *this year*?"

It might be nice to think that we could say to schools "Here are the student outcomes we want you to achieve. There are no up-front program requirements. But if you don't achieve them, we will take corrective action against you." But things cannot work that way. Under any reasonable scenario, it will take many years before performance-based outcome standards are used to bring about full corrective action in inadequate vocational education programs.

A look at the corrective action provisions in the newly enacted Title I illustrates the problem -- it will take roughly a decade before corrective action is required for a failing program, assuming all goes well.[2] And that's a decade to become a school that's making adequate progress toward student proficiency, not to actually become a school where students are actually meeting the standards we say all students should meet, which will take substantially longer.[3]

---

[2] First, each state has up to 4 years to develop its high-quality academic standards, set levels of student proficiency, develop and adopt assessments to measure performance, and test them for validity and reliability. (The job will be even more complex when you add vocational standards to the academic standard-setting, where more work has already gone on.) Then, school districts identify schools which have failed to make adequate progress two years in a row -- which requires 3 years of comparable data, since progress is determined by comparing one year of results with the previous year's results. Then, in the 3rd year after a school has been identified as not making adequate progress, the LEA must take corrective action against a school that still fails to make adequate progress, unless there are extenuating circumstances.

Thus, the answer to parents of today's high-schoolers about "What can I expect from this program for my child?" cannot be "Well, in ten years, once we have designed new standards, developed valid assessments on those standards, have three years of comparable data, give schools time to improve their data, then we will start taking action against any school that isn't showing a decrease in the number of students who are failing."

This is not a criticism of corrective action provisions in Title I or elsewhere; it's just a fact about how long it takes to do it right -- a fact which should tell us that corrective action alone does not make a federal program. For that very reason, Title I has a sensible set of up-front school-based requirements -- e.g., for planning, staff development and parent involvement requirements in order to reach the outcomes. The outcome based corrective action system is a complement to these provisions, not a substitute.

A. What's being consolidated with what?

1. Don't combine school-based and non-school based programs under the same authority, if it means putting control of the school-based programs outside the educational system. This will weaken the connection between vocational education and overall school reform. Further, we should be moving training programs in the direction of the education principles found in the Perkins Act, not vice-versa.

Perkins programs are above all else education programs, not simply training. They are long-term, full-day, full-year programs and they involve mastery of core academic subjects at high levels. Further, the kinds of vocational programs described above -- which fully integrate academic knowledge with experiential, hands-on learning in all aspects of an industry in a hands-on experiential way -- are becoming a powerful part of the movement toward overall school reform, in which the best practices from academic and vocational teaching are combined into a cohesive program. For this school-change process to continue, authority and responsibility for Perkins (or any successor vocational education program) must remain in the schools and local and state education agencies.

---

[3] If the performance standards are as high as we all want them to be, then there will be many schools -- particularly those schools affected by this provision, in high poverty areas -- in which the large majority of students are far from reaching proficiency. Under Title I, the definition of adequate progress is left to the States, with some guidance. With appropriately high standards of proficiency, even a school that makes a five percent annual gain in the portion of the student body that is proficient (a measure viewed by some as the upper limit of where a standards could be set, and by others as unrealistically high), could be moving from 20% of its students proficient to 25% of its students proficient.

In addition, in all our contacts with people who have been frustrated by the problems in the various, and often fragmented, training systems outside of Perkins and School-to-Work, we have found that the core principles and educational focus of these Acts is just what these people believe are the direction for reforming training programs. Thus, while we should be working on the connections and learning lessons from each arena, we should be careful not to remove Perkins from its educational focus and control.

2. The way to coordinate vocational and academic education is not by replacing vocational education with a general education block grant that makes attention to vocational reform optional. Such a block grant would actually result in less coordination.

The Perkins Act provides a strong impetus and structure for making sure that vocational education is integrated and coordinated with academic education -- to the mutual benefit of both, and of students. A general education block grant in which vocational reform was only an optional component would instead reinforce what is too often the status quo -- on the one hand, academic reform initiatives that ignore the vocational wing of the school and, on the other hand, the continuation of outdated modes of vocational education divorced from overall school reform.

3. The way to coordinate Perkins and School-to-Work is not by folding Perkins into School-to-Work. There are important programmatic links between the two that can be strengthened, but transferring the Perkins money to the School-to-Work Act would mean millions of students in vocational education would no longer be served.

The current structure and programmatic requirements of the two Acts share important features -- for example, both emphasize integration of academic and vocational education, all students mastering high academic standards, experience and understanding of all aspects of the industry. We can strengthen and improve this links to create a coordinated, single system.

However, we cannot simply fold the Perkins dollars into the current School-to-Work Act. The vocational programs which are assisted by Perkins dollars serve millions of students. The School-to-Work Act is purposely focused on a particular type of program -- one that includes a strong work-based placement. The numbers of placements which employers are now providing for these programs is very limited in comparison and, even under the best projections, will remain so for some time. So, to say that Perkins should only fund the school-based part of School-to-Work Act programs would mean to abandon the many more millions of students in vocational education programs need Perkins support for improvement and reform.

A better framework for coordination is to view the structured work-based placements supported by the School-to-Work Act as one important way, but not the only way, to get the hands-on experiential learning that all students should get.

4. We can have a federal-state/local partnership for schoolwide vocational improvement -- in which federal funds are provided, with great flexibility in use, to help improve the overall program -- in return for clear understanding of what the school will do, primarily in programmatic rather than fiscal terms, for the benefit of students. The terms must address both what will happen this year as well as ultimate outcomes. The 1990 Perkins Act's basic grant program is largely structured in that way already.

There is an alternative between overly narrow, fragmented categorical programs in which the entire focus is on whether each separate pot of federal dollars was spent on the right activities, on the one hand, and an anything-goes approach to federal support, on the other hand.

Except for relatively small demonstration programs, federal funds alone do not make an education program; they can only support and help to improve an education program run by a school with state and local resources. Schools can be given great flexibility in how to use their federal funds if the focus is on what the school program will do, not simply what the federal funds will do. This is basic to a the notion of a federal-state/local partnership. The federal government brings to the table a commitment of resources to help. The state, the district, or the school brings to the table a commitment to do certain things to improve its program. What's most important is that the school, the district, or the state does what it says it would do programmatically, regardless of how or with which dollars. Thus, in establishing the partnership -- and ensuring that it works to the benefit of students and parents -- the basic terms of the partnership should address:

(a) Components of outcome-based plans (up front), and bottom-up ways to ensure that these components are in place;
(b) Outcome measures for later evaluation and actions to be taken when programs are failing; and
(c) Basic rights and protections for students and parents.

IV. STRUCTURE FOR A NEW ACT

We thus suggest a look at a focused set of core programmatic requirements and a way to ensure that those programmatic components are addressed at each level of the system.

A. Core programmatic requirements -- for ensuring that students get competencies needed to secure high-skill, high-wage jobs and to continue their education:

1. Strong understanding and experience in all aspects of the industry they are preparing to enter, including planning, finance, management, labor issues, technical and production skills, principles of technology, community issues, and health, safety, and environment.

A focus on all aspects of the industry gives students the broad, transferable skills they need in order to deal with constant change in labor markets, job requirements, and shifts in individual career goals. Our economy is long past the point where we can simply project for any length of time exactly how many jobs in a particular occupation there will be, what the precise technical skill requirements for those jobs will be, and which students will ultimately end up in those jobs and then train students only in those skills.

Further, the industry-wide skills noted above are the skills that are more and more needed in industry for productive, high-performance work-places, in which workers continue to learn, understand the context of their work, and work both collaboratively and independently to solve problems. Thus, it is not surprising that the National Assessment of Vocational Education found that high-performance work places are much less likely than traditional employers to give good ratings to secondary vocational programs.[4]

These are also precisely the skills -- planning, management, finance, etc. -- needed for entrepreneurship, starting businesses, and economic and community development to create new jobs. This is a critical need particularly in those economically stressed communities which do not have enough jobs, let alone good jobs in high-performance work places.

A vocational focus on all aspects of an industry is also key to making academic-vocational integration a reality and to making vocational education a central part of school improvement. If vocational skills are defined too narrowly, there is limited basis for integrating high-level academics. This feeds the mistaken notion that academics for vocational students means "dumbed-down" academics. In contrast, the focus on exploring all aspects of an industry, and the problems it confronts, provides a rich arena for using, developing, and recognizing the relevance of reading, writing, mathematics, science and social studies.

There is no one right way to provide experience and understanding in all aspects of an industry. In fact, the point is to give schools, teachers, and students the freedom, as well as the charge, to devise their own new ways to explore an industry. The best programs have always done so.

> **Traditional vocational agriculture** is the longest-running example. It has always taught all aspects of running a farm. Agricultural students have learned not only how to pick crops and run and fix farm machinery, but how to manage and finance a farm, soil chemistry, animal husbandry, botany, etc.
>
> **Career academies**, such as the California Partnership Academies, can, when structured to do so, be one of the best models for teaching all aspects of an industry. Academies are school-within-a-school programs focusing on a particular industry as a foundation for both vocational and academic learning. Academies generally have

---

[4] OERI, National Assessment of Vocational Education, Final Report to Congress, July 1994, Vol. II, p. 166, Vol. III, p. 97.

strong links with employers, which provide mentors, guest speakers, and internships. Evaluations of career academies have demonstrated the positive impact of this industry-based approach on academic achievement and enrollment.

Community-development approaches, such as that used at the Rindge School of Technical Arts in Cambridge, develop student skills in planning, management, etc. by engaging students and teachers in analyzing their community's needs and developing enterprises to meet those needs. Again, the basis for integrating academic areas, broadened, resulting in achievement gains.

With federal leadership, more schools are upgrading to teach all aspects of the industry. Even since 1990 -- a short time frame for school change -- federal "all aspects" requirements have begun to have real impact. About three quarters of localities reported that the Perkins Act had a positive effect on "all aspects" education by 1993.[5]

Sustained federal leadership in this arena, however, is still needed. Despite progress, many schools still operate in a narrowly occupational-specific way that serves neither students nor employers well. Those school that have begun to change need continued support. One of the most common complaints of educators is that every time they start to implement a new reform, support for it disappears.

2. Academic-vocational integration. Academic standards set by states or localities should apply to vocational students and programs (as in the School-to-Work Opportunities Act). They should be at levels sufficient to allow for entrance and success in four-year colleges upon graduation from high school adequate to allow enrollment in four-year colleges for those who choose to do so, avoiding the closing off of options. Experiential learning should be a component for all students, including options for work-based placements and school-based enterprises.

The vocational-academic integration mandated and stimulated by Perkins and School-to-Work should be continued and advanced.[6] We must continue to move beyond notions that vocational education and experiential learning are for "the non-college bound." Further, the whole notion of states and localities developing academic standards for what all students should know and be able to do is inconsistent with lowered academic expectations in vocational programs. By that measure, high school students in those programs should meet the academic standards necessary for admission and succession at four-year colleges, even if many ultimately choose not to do so. Adolescents should not be forced to make program choices at the cost of closing off that option. Research on the partnership academies shows that demanding, high-quality vocational programs motivate students who did not see themselves as college-bound to go on to college.

---

[5] NAVE Final Report, Vol. III, p 97-98.

[6] We still have a long way to go here, with may efforts still marginal, ill-defined and small. The NAVE case studies indicated that, if you look at twenty sites, you might find one good example of an integrated program that involves lots of students and classes, is on both the academic and vocational sides, and involves lots of applied learning. NAVE, Vol. I, p. 15.

In addition, secondary school recipients should design and implement strategies to link vocational education to schoolwide reform. Programs should serve as one component of schoolwide restructuring designed to provide a continuum of project-oriented, experiential learning programs for all students, each of which integrates academic knowledge with hands-on applications. (with the continuum including a mix of off-site private work places, school-based enterprises, and other types of research or design projects).

3. Equity. All students should have equal access to the full range of programs. Once enrolled in any program, those students in need of special services to successfully participate in that program.

Since 1990, Perkins no longer mandates that specific Perkins dollar amounts be spent on services needed by students who are economically or educationally disadvantaged, limited-English-proficient, or disabled. Instead, it does mandate that the needs be identified and the services provided so that these students can participate on an equitable basis. This shift is not well understood in many arenas. This is consistent with, and should be coordinated with, the provisions of other laws. In many cases, the services are the ones that would be needed regardless of which academic or vocational area a student may be in. Schools should be, and under federal law are, free to tap resources outside of Perkins to meet those needs, including Title I funds and funds for services otherwise mandated for limited-English proficient students and students with disabilities -- so long as students are not held hostage to bureaucratic disputes and denied services while offices are wrangling over which program should pay.

The bottom line is that these necessary services should be provided wherever the student ends up. While "special population" students are not under-enrolled in vocational education in the aggregate, the enrollments are very disparate when you compare particular program areas -- particularly those leading to higher-skill, higher-wage versus lower-skill, lower-wage jobs.[7] While nominal equal access provisions are a given, students often do not enroll in particular areas because, for example, English-language services for LEP students or supports for students because of lack of services. No student should be told that, although their career goals make them interested in one field, they are going to end up in another, because that's where the services are. The trade-off for moving away from a narrow categorical approach of set-asides and giving schools flexibility in use of funds to improve the overall program must be an assurance that this overall program is fully accessible to all. This is a matter both of basic fairness and of economic wisdom -- we cannot as a nation afford to waste the talents of any sector of our youth.

---

[7] NAVE Final Report, Vol. II, p. 19-21 and 23. See also NAVE Interim Report, p. 106.

4. Involvement. Bottom-up enforcement -- effective means for teachers, students, parents, and the wider community to participate in shaping the program; effective recourse when the program is not working or core requirements are not met.

Program consumers (students, parents, and workers) and teachers should directly participate -- in more than just token numbers -- in programmatic decision-making, assessment, and accountability processes. Consumers and teachers should have the means to have a real say in decision-making and to hold programs accountable for implementation. Decades of laws and programs show that this doesn't happen without specific requirements. More recently, NAVE found that, according to district administrators, a third of sites preparing local plans for Perkins did not meet even once with parents or community members, let alone the more extensive effort needed for real, ongoing involvement.[8]

B. Program structure. *Each* of the above core programmatic requirements -- regarding all aspects of the industry, academic-vocational integration, equity, and involvement -- should be addressed in each level of the program structure, i.e., in:

1. Performance accountability standards -- with local, participatory efforts to identify and take steps to remove barriers resulting in inadequate performance in particular program areas or for particular groups of students.

The 1990 Perkins Amendments, foreshadowing the standards-driven reforms of the last few years, provided for state standards and measures of program performance, together with a local evaluation and improvement process. That system has never been implemented. The National Assessment of Vocational Education and evidence from a Rand Corporation/MPR Associates study indicate that most local program staff have no knowledge of state standards and measures or of local evaluation requirements or processes. Any real change depends upon ground-level, collaborative evaluation and planning. We can't afford to either discard this process or leave it to stumble forward impotently. Drawing on the knowledge from NAVE, Rand, and NCRVE experiences, the new Perkins must revise this process.

2. An upfront school-based planning process for reaching those standards -- including initial program assessment and determination of needs for program, staff, and curriculum development and workable, effective system of needed services.

3. The State role -- technical assistance and information dissemination to both schools and consumers, monitoring and enforcement, role in standard-setting, data collection, modernizing teacher training and certification systems and removing barriers.

---

[8] NAVE, Vol. IV, p. 12.

Underlying many of the implementation difficulties noted above is the lack of teacher capacity to make them happen. Particularly with an aging teacher workforce, teacher training institutions and certification standards are important vehicles for increasing that capacity. We can't expect teachers to integrate vocational and academic education when they have had no training on how to do so. Similarly, teachers need training on how to work with special education and other special services staff in order to enable special population students to fully participate.

4. The federal role -- technical assistance to states on effective strategies for meeting responsibilities; dissemination and outreach, including to consumers; research and development, including demonstration programs; monitoring and enforcement.

The federal government has a special, historical responsibility for oversight and assistance regarding the equity functions. As we move toward increasing national consensus on the need for all students to meet high-level standards, and as the world economy becomes more information-based, the urgency of this federal role in ensuring that particular students whose families may be at a disadvantage in various political and economic arenas are not left out or segregated into inferior programs.

In addition, the federal government is in a unique leadership role regarding research and development. Research, demonstration programs, and information dissemination are critical to continued improvement. We are thus concerned about proposals to eliminate these national functions in the name of targeting resources to direct services.

As a voice for students and parents, our ultimate concern is naturally with the services students get at the school level. But the state and local functions above are essential, and must be adequately funded, if limited federal resources, and ultimately the educational and career lives of youth, are not to be wasted.

5. A strong voice for teachers, students, parents, and communities at all levels. This does not happen without clear provisions and attention.

Students, their families, and their communities have the greatest stake in the success of education reforms. It is their participation in a planning process that is most likely to keep it moving past bureaucratic and political hurdles. Thus, they need to be empowered as full partners in governance structures and processes, and they need to be provided the information and assistance they need to participate in a meaningful way.

Chairman McKEON. Thank you very much. Chairman Goodling.

Chairman GOODLING. One observation and then one non-academic question for Dr. Carreon.

The observation is, I wish all Members of the Congress could hear the testimony that we have day after day in this committee, because there's so many in the Congress, like all over the world, all over the United States, who believe nothing good is happening in public education. They don't think anything is changing in public education.

I have been trying to make our new Governor understand, that if you go out and visit schools in Pennsylvania, you'll discover a lot of things are happening, wonderful things are happening.

The non-academic question, Mary Lou Zoglen. Does that ring a bell at all? Well, I thought it would, since she was a wheel in community colleges in California. I just wanted you to know that she was the valedictorian of my class at York High School. That's the non-academic.

Ms. CARREON. She was the vice president of our sister college.

Chairman GOODLING. And I think at one time, she served on the Community College whatever it is, for California. Thank you.

Chairman McKEON. Thank you, Mr. Green.

Mr. GREEN. Thank you, Mr. Chairman. Let me first say that I apologize to the witnesses because of our having to run in and out, and because other committee meetings going on, a lot of us wish we could spend the whole morning on this instead of every 15 minutes, having to go vote.

Your testimony today shows how important it is. I don't think some of us would be on this committee, if we didn't think job training and preparation for a career wasn't important.

The first witness, Mr. Glatfelter? I do very well with Spanish names from Texas, but not necessarily with other names. But I want to congratulate you on your efforts from your business.

I know Chairman Goodling already mentioned it, but we all have employers who really take their efforts in their community activities to the nth degree. What you are doing is to be commended, not only by the representatives from Pennsylvania, but also by everyone.

I just wish we had more of you that could do that. I know I went through a training program straight out of high school, and I went on to college and went to law school. So somewhere along the way I fell off the wagon and didn't use my training I learned, but I appreciate that, because that option is available to a lot of young people.

Let me ask a question, and particularly of the high school and the people who are involved in the School to Work and the Tech Prep, because I know under our recision bill that is coming out of the committee, would actually cut funding for the Tech Prep Program.

I have heard from my local school districts about the success of it. I know it starts with the ninth grade. Here we are looking at the cuts, even in our current program.

But it seems like your testimony talks about starting earlier. In Texas, we have sixth, seventh and eighth is our middle schools or junior high. We actually should start at the seventh and eighth grade like some of your testimony.

While you are here today, you may also visit with other Members of Congress to talk about the value of the Tech Prep program.

Not only do we not need to cut it, but at least in some instances, we might need to identify those children because the seventh and eighth graders, particularly I think so they don't become that dropout when they become 17, at least in Texas, they have to wait until they are 17. But if we can get them when they are in the sixth and seventh grade, or seventh grade particularly, and develop that interest in them.

But if you could just respond to that. Also, if you could respond to how the Tech Prep, because one of the things we are going to do in consolidation, is to look at what is duplicated. How is Tech Prep and School to Work, if you could explain to some of the Members and for the record, that we are not talking about two competing programs. That they actually serve different types of students, or do they? Because that is also something that we need.

The School to Work Program was passed last year or the year before. So we can have on the record that they are two different programs. Maybe we need to merge them, so they do deal with each of them.

You can address that.

Mr. MASHBURN. Well, in our district, we do start the Tech Prep Program in the ninth grade. We do have one of our consortium members who is a middle school vice principal, who sits on our steering committee. We get hammered from him all the time about the fact that this needs to be in the middle schools also in California.

But we don't under the legislation, have the opportunity to put some of those funds down there, although we are taking and educating staff at that level.

I don't know if you want to add anything to that or not.

Mr. GREEN. Could you talk about the difference between Tech Prep and School to Work?

Mr. MASHBURN. Sure. I'm not sure that on the local level, at the high school, we really understand what School to Work is, truthfully.

I think that we know that there's a component in there that is going to deal with something out there called putting students out into the community classroom, versus being in the high school.

As far as what we are doing with our Tech Prep, we are trying to get teachers out into the community classroom right now. There is a big effort right now, just to take and make the curriculum more real for students by taking some of the teachers, like myself, who have been in the classroom for 28 years, and getting back out and into industry and seeing what is really going on out there.

We make our field trips or whatever with the students, but that is not the same as getting out there on a one to one. I recently had the opportunity to visit McDonnell-Douglas on a one to one basis, myself and an engineer, and was amazed. Versus taking and going on a field trip to McDonnell-Douglas. Big difference.

Mr. GREEN. I have run out of time. Mr. Chairman, thank you.

Chairman **McKEON**. Thank you. I have a bunch of short questions.

How much funding, Dr. Van Newkirk, did it take to get the program going? Now I understand, Mr. Glatfelter, you put up the funding, your company? How much did it take to get that started?

Mr. **VAN NEWKIRK**. In and around somewhere between $50,000 and S60,000 a year, to pay for the consulting fee and the additional aide.

Chairman **McKEON**. Did that get it started, I mean, the 50 students or is that now with the 150?

Mr. **VAN NEWKIRK**. That started with 50, and then we have gone to 150. It runs about $60,000 a year.

Chairman **McKEON**. Well, you certainly are to be commended for doing that, for your generosity, and for working with them and making it happen. Those young people, it will have effect on their lives, I'm sure long after we're all gone. You are leaving a real legacy there.

Dr. Carreon, how much funding do you receive, your school for Tech Prep?

Ms. **CARREON**. It varies. This year, we have three colleges, as I said, and 21 high schools. That's the recipients. The funding is this year a little over $300,000.

Chairman **McKEON**. Three hundred thousand for——

Ms. **CARREON**. For Tech Prep.

Chairman **McKEON**. For all of the schools?

Ms. **CARREON**. For all.

Chairman **McKEON**. Together?

Ms. **CARREON**. Yes. All of them.

Chairman **McKEON**. Okay. Are you in the same district?

Ms. **CARREON**. We are partners.

Chairman **McKEON**. How is that $300,000 used?

Ms. **CARREON**. The majority I would say is used to support teacher time, because we don't have any other way to support them to meet with industry and to work on developing this new curriculum.

They need to get trained in the new applied approach.

Chairman **McKEON**. Paying for substitute teachers for them to be out of the classroom?

Ms. **CARREON**. Right. Right.

Chairman **McKEON**. And to get the training?

Ms. **CARREON**. That would be the majority of the funds.

Chairman **McKEON**. Then the day when you go meet with McDonnell-Douglas or that kind of thing. How many students are affected by that $300,000?

Ms. **CARREON**. Well, we have 30,000 in the high schools, and close to 50,000 in the colleges. Tech Prep is impacting most of those students.

Chairman **McKEON**. You said that 60 percent, if I remember correctly, 60 percent were not taking the third year of science?

Mr. **MASHBURN**. The statistic was that we had a 600 percent increase in the third year of science for this middle 50 percentile student.

Typically in the past, we have seen the students that are university bound take the physics and go on into the anatomy and so on, classes. What we have seen is, we have seen our numbers go from

20 students to 127 students take a third year of science. We have just offered that for the first time this year.

Chairman McKEON. Why is that? Is it just the stimulus?

Mr. MASHBURN. Good question. I asked that of the science teachers. They said that the applied academics is an "I can do" curriculum. The students get in there, and they are very successful with the first two years of the program. It's a three-year program.

So at the end of the two years, they have met the requirements for graduation, but 127 of them decided to go on to a third year now of science, because they feel that they can do it now.

Chairman McKEON. Which ties back then to the program that you are doing with these sixth, seventh and eighth graders.

Now is that, the two teachers and the aides that work with them, do they teach the regular curriculum?

Mr. VAN NEWKIRK. They teach the regular curriculum in an integrated manner in a cooperative education style.

While they may not concentrate on math in a given period, there is mathematics tied into projects and into the activities that match up with the expectations at the worksite.

Chairman McKEON. But the two teachers team teach the 50 students?

Mr. VAN NEWKIRK. That is correct.

Chairman McKEON. So they are their full-time teachers.

Mr. VAN NEWKIRK. That is correct.

Chairman McKEON. And they just integrate with the business community as I understand it?

Mr. VAN NEWKIRK. Along with the mentors adding the support and encouragement.

Let me add one more thing, Mr. Chairman. The resources provided by Mr. Glatfelter allow us to provide some additional attention to detail, similar to what people find and pay for in a private school setting, in that the consultant firm makes all the contacts with the business mentors, the 75 that are active and the 50 or 60 that are on a waiting list.

They work out the details. They work out the expectations. They work out the arrangements. The teachers are busy dealing with the curriculum in the classroom.

Add to that the aide, who then has the responsibility, not only for following up with some of the support service in the room, but for taking the students throughout the community to their business site activities.

Obviously, sixth, seventh and eighth graders don't drive. We are a school district that doesn't bus. All of our students walk to school. So the aides must move the students around to their expected appointment.

Chairman McKEON. Does he kind of micromanage you or did he just say, "Do this" and you kind of did it?

Mr. VAN NEWKIRK. No. He just entrusts us completely.

Mr. GLATFELTER. I just helped to provide the challenge. Looking for a couple of success stories.

Chairman McKEON. My first year on the school board, the way it worked out, I ended up president of the board and went to a State function where they were teaching us those things that they do.

I remember one of the sessions was what is good in education, along with what the Chairman was talking about earlier. So when I came back from that, I was motivated, and I said, well, we should put on a what is good in education for the school board at least.

So once a month, we didn't have a district office. We would hold our meetings in different schools. So we traveled.

We would have at one of our meetings each month, a "What's good in education." We would have a teacher come in and show us what they were doing in their class. We did that then for the rest of the nine years I was on the board.

It was something I always looked forward to, because you would see different things. I can remember now, a French teacher coming in in a full cardinal's regalia, speaking French. He tied in his teaching of the language with the culture. Those students just loved that.

In 28 years, I can see the glow in your eye that you still enjoy teaching. Some people lose that very quickly and then they are just in the rut, and they stay there.

But there are many good things happening in schools. We had one at one of our schools, it was a high school. One of the high schools had an "I can" class. He taught five sections. They had 30 students in each section. They filled up like that. They always had a waiting list.

But it took a special teacher. I remember he came in and put on a demonstration for us. When he did that, he took a straw and stuck it in a potato. I mean, this has been 15 years ago. There are certain things that stick with you. He also was the baseball coach and had a winning baseball team. He just had a way to inspire work with young people.

It all comes back to that. Whatever we do here, whatever programs. Whatever we do, if we don't have a great teacher at the end of the line, administrator, you know, people that make things happen, it's not going to happen.

You can put the money out there, and it's not going to happen. It seems like if you get that great teacher, it's going to happen whether you get the money there or not. But it sure helps to have the resources.

Thank you for being here. I know it has been educational for me.

Chairman GOODLING. I just wanted to tell you that I always taught 150 to 180 students a day, but they were assigned to my class. They didn't have a choice.

Chairman MCKEON. Some of them probably were happy to be there. I was trying to be a little light. I'm sure they all enjoyed being there.

Again, thank you for being here. We have said to each of the witnesses that come before us, if you think of something that you didn't say after you leave, or if you follow the process as we go through this, as we gather information and then proceed to markup and go through this process, I know Mr. Weckstein you have volunteered that you are here local, and would like to continue working on this.

We would sure love to have your input. Anything that you can see to help us as we go through this process, we would appreciate it.

Again, thank you for being here.

[Whereupon, at 12:40 p.m., the subcommittee was adjourned.]

[Additional material submitted for the record follows.]

Women Work! The National Network for Women's Employment

Women Work! The National Network for Women's Employment is a membership organization, rooted in the Displaced Homemakers Movement, dedicated to empowering women from diverse backgrounds and assisting them to achieve economic self-sufficiency through job readiness, education, training, and employment.

Congress is currently in the midst of considering vocational education and job training reform. It is essential that, as crucial decisions are being made, the needs of women, girls, and their families are not abandoned in national reform efforts. **Programs which have historically succeeded in serving women and girls must be maintained in any national vocational education and job training system.** The lack of a ***strong*** and ***specific*** commitment of federal funds will marginalize women and girls at the state and local level.

Background

There are approximately 1,300 programs nationwide that are successfully providing needed services to nearly 400,000 individuals who are struggling to empower themselves to become economically self-sufficient. Women Work! provides technical assistance to those programs, helping them enhance linkages with other community agencies and employers, and maximize services to women and girls seeking to enter or re-enter the paid workforce.

These programs are supported through sex equity and displaced homemaker, single parent, and single pregnant women funding reserves in the Carl D. Perkins Vocational and Applied Technology Education Act of 1990. These provisions in the Perkins Act were carefully crafted in recognition of the critical need to ensure women and girls access to quality vocational training that leads to economic self-sufficiency.

Most Americans do not need to be told of the many barriers families must overcome in order to become economically stable and stay together. The high costs of dependent care, health care, tuition and housing, the vicious cycle of dependence on public assistance, and the continuing lack of real economic opportunities for women, are all bricks in the wall that separate so many families from economic empowerment. Displaced homemaker, single parent, single pregnant women and sex equity programs, unlike more general vocational education programs, are specifically tailored to help women, girls and their families become financially stable.

Programs funded under the Perkins provisions provide an array of support services designed to meet the special needs of women and girls and help succeed in vocational education, particularly in non-traditional courses of study which lead to high-skill, high-wage jobs. Services include: expanded outreach; personalized career counseling and support; skills training and job preparation; coordination with related agencies; and subsidized tuition, child care, elder care, and transportation.

For the 11 years that the displaced homemaker/single parent provisions of the Perkins Act have been in existence, programs have proven to be life-changing, transformative experiences for women and their children. Programs offer families a chance to achieve economic independence. Through these family empowerment programs, displaced homemakers and single parents can find the resources necessary to move from unemployment to a high-skill and high-wage job, from economic dependence to economic self-sufficiency, from single parents to family providers.

The need for these services is greater than ever. A recent analysis of 1990 Census data shows that there are nearly 15 million displaced homemakers and single parents in the United States.[1] And this is not an issue that is more prevalent in one part of the country or limited to certain states or regions. In **Pennsylvania** there are nearly 650,000 displaced homemakers and single parents. In **Wisconsin**, 294,000; more than 400,000 in **New Jersey**; 300,000 in **Indiana** and 1.8 million displaced homemakers and single parents in **California**.

*"Before I came to the Career Resources and Supportive Service program, I was a single welfare mother of two children. I did not believe I could ever get out of the welfare system. When I did work, I barely made minimum wage. With this little amount of pay, I just was not able to survive. I gave up and got back on welfare again. Thank goodness somebody told me about this special program that was offered at the COA. Without [this program] I would still be stuck in the system. I am now in my second year of college with a 3.8 grade point average, majoring in wildlife biology. I also volunteer and have paid summer work for hands-on experience. This program is of great importance to all women like myself. Many of us, as you well know, are stuck in the welfare system. However, many of us would like to be a productive member of society. Yet, we don't know how. This program enables us to take control of our lives and to get the education and the careers we so much desire." - Terri from the College of Alameda Single Parent and Displaced Homemaker Program in **Oakland, California***

Programs Highly Rated by Customers

How customers assess the value of services provided by government programs is an issue that Congress has said is central to decisions about continuing support for programs. This past summer, graduates of displaced homemaker/single parent programs were asked to assess the services that they had received and they gave their unqualified approval![2] More than four out of five people who participate in displaced homemaker and single parent programs say their experience with the program has been "very good" or "excellent." Of the more that 6,500 graduates who responded to the survey, more than nine in ten would recommend the program to a friend. These conclusions are part of the first-ever customer-satisfaction assessment of displaced homemaker and single parent programs.

---

[1] *Women Work, Poverty Persists: A Status Report on Displaced Homemakers & Single Mothers in the United States*, Washington, DC 1994

[2] *Satisfaction Guaranteed: Customers Speak Out on Displaced Homemaker and Single Parent Services. A Report on the Findings of a National Customer Satisfaction Assessment.* Women Work!, Washington, DC, 1995

Participants who responded to the assessment ranked displaced homemaker/single parent programs well above other government-funded programs with which they had experience. Three out of four customers who participated in other government programs rated their displaced homemaker or single parent program "much better" or "better" than such government programs as welfare, unemployment or JTPA (Job Training Partnership Act).

Overwhelming majorities of program participants rated the specific services they received as "excellent" or very good." Highly-rated services include: help identifying career goals (71.2 percent rated this service as "excellent" or "very good"), tuition support (76.8 percent), and assistance with support services such as child care (73.1 percent) and transportation (71.4 percent). Nearly seven out of ten respondents gave equally high ratings to the career counseling they received. More than eight in ten gave high praise to the programs' ability to help them develop life skills and build self-esteem.

Federal Role Essential

Continued federal leadership in assuring that states provide services to displaced homemakers and single parents is absolutely essential. Congress should recognize that if left up to the 50 states, it is highly unlikely that the voices of displaced homemakers will be heard. Displaced homemakers are individuals who are going through major life changes, faced with searching for a job after years as homemakers caring for their families, working hard to keep to a minimum the disruptions in their children's lives. These women probably will not be at the table when state legislatures or governors are making decisions about job training programs.

History has shown that states have not responded to the needs of displaced homemakers and single parents. Prior to the passage of these provisions in 1984, a National Institute of Education study found that less than 1% of all vocational basic grant money was spent for displaced homemakers, support services for women seeking to enter nontraditional fields, and child care. A recent National Coalition for Women and Girls in Education report[3] showed that three fourths of local programs surveyed did not receive any funds outside of the Perkins provisions. State administrators of the programs were unequivocal in their belief that displaced homemakers and single parents would not get services without federal requirements.

When states historically have failed to adequately serve displaced homemakers and single parents, it is up to Congress to assure that these women -- who have been the volunteers in our schools, the organizers of the healthy activities in our communities, like cub scouts and soccer leagues -- are not penalized and abandoned simply because they happen to live in a state that doesn't value their potential as taxpaying citizens.

As the vocational training system is restructured, we urge members of the Subcommittee to maintain the federal commitment to providing vocational training to women and girls by retaining the provisions currently included in the Perkins Act.

---

[3] Empowering America's Families: Documenting the Success of Vocational Equity Programs for Women and Girls. National Coalition on Women and Girls in Education, Washington, D.C., 1995.

Statement For the Record
for the
Subcommittee on Postsecondary Education, Training and Life-Long Learning
of the
House Committee on Economic and Educational Opportunities

March 3, 1995

Submitted By:

American Association of School Administrators
American Association of University Women
American Federation of State and County Municipal Employees
American Civil Liberties Union
Association for Community Based Education
Association for Women in Science
Association of Teacher Educators
Center for Women Policy Studies
General Federation of Women's Clubs
Girls, Incorporated
National Coalition for Sex Equity in Education
National Coalition for Women and Girls in Education
National Council of Administrative Women in Education
National Council of Negro Women
National Commission on Working Women
National Women's Law Center
NOW Legal Defense and Education Fund
The United Methodist Church General Board of Church and Society
Wider Opportunities for Women
Women for Meaningful Summits
Women Work! The National Network for Women's Employment
YWCA (USA)

As advocates who work to preserve and enhance education and job training opportunities for women and girls, we submit this Statement for the Record to urge the Subcommittee on Postsecondary Education, Training and Life-long Learning to consider the unique concerns of women, girls, and families as it undertakes vocational education reform during the current, frenzied climate. Our organizations know that many vocational education programs, historically, have ignored the particular needs of women and girls and, instead, have tracked them into dead-end jobs with low wages. Now, effective and successful specialized programs targeting displaced homemakers, single parents, and single pregnant women are in place in many states to mend the gaps left by existing vocational education programs. As this Subcommittee reviews the federal vocational education efforts, we urge you to recognize and preserve these successful programs that have strengthened the economic security of hundreds of thousands of women, girls, and their families -- programs that not only work, but also are well worth the federal financial assistance.

I. Background

There are over 2,000 displaced homemaker/single parent/single pregnant women and sex equity programs currently supported through reserves in the Carl D. Perkins Vocational and Applied Technology Act of 1990 (Perkins Act). These programs are **family empowerment programs** because they improve the financial stability of families by providing needed education and job training services to women and girls across the country. These provisions in the Perkins Act were carefully crafted in recognition of the critical need to ensure that women and girls have access to quality vocational training, allowing them to raise themselves and their families out of poverty, and into economic self-sufficiency.

To inform the current discussion about vocational education and job training reform, the Vocational Education Task Force of the National Coalition For Women and Girls in Education conducted a survey of selected states to assess whether the funds allocated for sex equity and displaced homemaker/single parent/single pregnant women programs have improved program quality and services to women and girls, increased job opportunities for women, and increased family self-sufficiency. Twelve states were selected to create a representative sample based on population density, and geographic and economic characteristics.

Results from this assessment have been compiled and summarized in Empowering America's Families: Documenting the Success of Vocational Equity Programs For Women and Girls.[1]

In short, the survey found that these programs have been highly successful in empowering families by introducing girls to higher wage career options and giving displaced homemakers and single parents the services and individual attention they need to become employed, earn a living wage, and support their families. Despite progress, however, the need for these programs has not expired. Employed women are still concentrated in low-paying occupations in which opportunities for advancement and higher wages are minimal. Girls continue to enroll in courses that will lead them to these occupations. Women continue to encounter obstacles in trying to preserve and support their families.

While many policymakers now are grappling with broader problems that plague vocational education and job training programs, few have focused on the particular needs of women and girls. Nor has enough attention been given to family empowerment programs that successfully move families from welfare to work. Ignoring the needs of women and their families in the policymaking process risks marginalizing them at the state and school level. "Reform" that eliminates programs that have proven to be effective for women and girls is no reform at all. Thus, as reform efforts move forward, it is critical to preserve the mechanisms already in place that do work and make programs more responsive to the needs of women, girls, and their families. To discontinue funds or funding conditions at this point would send the incorrect message that women and girls have achieved equal status in training, education and employment.

---

[1] *Empowering America's Families: Documenting the Success of Vocational Equity Programs for Women and Girls.* National Coalition For Women and Girls in Education, Washington, D.C., 1995.

II. Programs that Work

Congress has said that it wants to get rid of programs that don't work. Displaced homemaker and single parent programs do work! The following are just some examples:

An evaluation of ***Oregon's*** programs shows that employment and wages steadily increase each year following participation in a displaced homemaker/single parent program and that reliance on public assistance steadily declines.

EMPLOYMENT STATUS	93-94 enrollers at entry	1993 enrollers at 6 months	92-93 enrollers at 1 year	91-92 enrollers at 2 years	90-91 enrollers at 3 years	89-90 enrollers at 4 years	88-89 enrollers at 5 years
% employed	28%	43%	49%	59%	58%	59%	71%
Median hourly wage	$6.00	$6.00	$6.06	$7.00	$7.00	$7.25	$7.45
Median hours/week	25	27	30	33	35	38	33

PERCENT ON AFDC	1993 enrollers (at 6 months)	1992-93 enrollers	1991-92 enrollers	1990-91 enrollers	1989-90 enrollers	1988-89 enrollers
At Time of Entry	20%	26%	24%	26%	26%	29%
At follow-up in 1993-94	23%	25%	14%	16%	17%	15%

In ***Florida*** at the time of enrollment in a displaced homemaker/single parent program, 81% of participants had an income of less than $10,000 a year. After completing the program, the state found that 71% of participants were employed in Florida, earning an average income of $20,676 per year - ***doubling their incomes*** at the time of enrollment.

An ***Arizona*** follow-up survey revealed an increase in the median hourly wage from $4.50 to $6.00, and the median hours worked from 20 to 36 hours per week. Arizona also saw the percentage of participants in nontraditional jobs rise from 7% to 17%.

Georgia's "New Connections" single parent and displaced homemaker programs reported annual incomes of under $11,000 when participants entered the program. Following program completion, the average salary for Georgia program graduates was $16,500 -- significantly more than the average placement salary for high school graduates of $9,084.

In ***Maine*** one out of every four displaced homemaker program participants received AFDC at intake in FY94; 57% earned incomes of less than $10,000 a year. In a six-month follow-up survey, 59% of respondents reported being employed, while 41% were enrolled in education. Twenty-eight percent of respondents were placed in employment *and* education.

In ***Pennsylvania*** 85% participants were living at or below 150% of the poverty level at the time of enrollment. Only 4% participants were employed, 14% were considered underemployed, and 82% were unemployed. Pennsylvania has calculated the savings that accrue to the state from displaced homemaker/single parent programs due solely to reductions in public assistance to be $1,966,524 per year -- **a 56% return to the state** on the total Perkins funds used for sex equity and displaced homemaker programs.

These data clearly demonstrate that these programs work. While legislators feel they must sacrifice investments in programs in order to reduce the deficit, it seems illogical to cut programs which are successful *and* provide a substantial financial return on those investments.

III. Recommendations

Based on results from the assessment Empowering America's Families, we recommend that the following principles be used as guidelines in considering vocational education reform:

1. **Family Empowerment Programs must remain a focus of federal job training and vocational education initiatives.** The single parent/displaced homemaker and sex equity provisions must be retained at no less than the current funding level for families to continue to move from welfare to work, from dependency to self-sufficiency.
2. **The Sex Equity Administrator position is vital to the success of family empowerment programs.** The funding of a full-time Sex Equity Administrator is crucial to proving leadership on sex equity and family empowerment issues.
3. **Emphasize services to women and girls most in need.** Poor women, girls, and their families, regardless of where they live, must remain a focus of national job training and vocational education.
4. **Maintain the requirement that family empowerment funds be disseminated through a competitive process.** The competitive process has resulted in improved programming and accountability for the use of funds.
5. **Require uniform data collection.** Documenting the effectiveness of these programs nationally is hindered by the lack of comparable data across all states.

We are pleased that Congress is examining federal vocational education policies to improve services and opportunities for all Americans. In order for all Americans to be served equitably, women and girls must be guaranteed access to the proven services which have resulted in empowering families to become economically independent. We would be happy to continue to work with the Committee to ensure that all women, girls, families, and all Americans, have access to equitable economic and educational opportunities.

HEARING ON TRAINING ISSUES

TUESDAY, MARCH 7, 1995

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON POST-SECONDARY EDUCATION, TRAINING AND LIFE-LONG LEARNING, COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES, *Washington, DC.*

The subcommittee met, pursuant to call, at 9 a.m., Room 2261, Rayburn House Office Building, Hon. Howard P. "Buck" McKeon, Chairman, presiding.

Members present: Representatives McKeon, Goodling, Souder, Petri, Williams, Reed, Roemer, and Green.

Also present: Representatives Cunningham and Sawyer.

Staff present: Mary Gardner Clagett, professional staff member; Mary Ann Fitzgerald, legislative assistant; Sally G. Lovejoy, senior Education policy advisor; Rick Jerue, counsel; and June Harris, Education coordinator.

Chairman MCKEON. We are, I guess, a little bit up in the air with the fog, but we will begin. We have Mr. Bloom, I understand, Mr. Tershy and Mr. Guzman are not here yet. Mr. Derrough?

Mr. DERROUGH. Yes.

Chairman MCKEON. And Ms. Patrick. Is that Mr. Tershy and Mr. Guzman? Could we ask you to come up?

We are happy to welcome you to our continued hearings on our job training issues. We would like to turn the time over to Mr. Cunningham to introduce some of his constituents.

Mr. CUNNINGHAM. Mr. Chairman, thank you.

And, Members of the subcommittee, ladies and gentlemen, good morning, and as they said, the freeway is pretty jammed up coming northbound, and I am sure that is where most folks are.

But I am proud to welcome two of my fellow San Diegans to testify before this panel: Mr. Neil Derrough, who is President of the Neural Communications in San Diego and General Manager of KNSD–TV, Channel 39, our local NBC affiliate. He is an active citizen of my community, as a member of several State and national boards in his profession of broadcasting, and locally in the areas of business, health, education, and the arts.

In 1991, Mr. Derrough received the City of San Diego Seahorse Award for his service to the community. Most important to the purpose of this hearing, Mr. Derrough is a member of the board of San Diego's Consortium Private Industry Council, as we know PIC. The organization brings together business and educators to testify and identify the most effective ways to train a diverse local work force in today's jobs and the jobs of the 21st century.

Also representing San Diego Consortium this morning is Ms. Brene Patrick. She is Assistant Chief Executive Officer of Private Industry Counsel, Youth Division. As a representative of the full committee from San Diego County, and I will tell you there was a covey of them here last week, Brene, I am honored to welcome you both to our Nation's Capitol.

I strongly believe citizens from around the country can show Washington a thing or two about making the government work better at less cost. The insights that the two of you bring to this panel will help enact needed reforms to job training programs serving our young people.

The Education Committee, as it used to be where I was on the National Service Committee, which used to be Armed Services Committee, but this is the committee to be on now because it is where the happening is and the action. We appreciate all of you, not just the San Diego members, for coming.

But we are going to make a lot of changes, and your input will be definitely heard.

I have got two other meetings, but I did want to come, Mr. Derrough and Ms. Patrick, to introduce you.

Thank you very much.

Chairman McKEON. Thank you, Mr. Cunningham.

In the interest of time, we will just put our opening statements in the record.

I would like to introduce Mr. Dan Bloom, who is a senior researcher at Manpower Demonstration Research Corporation from New York. Then we will hear from Mr. Russ Tershy. Did I pronounce it correctly?

Mr. TERSHY. Right.

Chairman McKEON. Wait a minute. I got mixed up here. First we will go to Mr. Derrough. We will go in the order that was listed there, and then Ms. Patrick, then Mr. Tershy, who is the Director for the Center for Employment Training from San Jose, California; and Mr. Estaban Guzman, graduate from the CET Program from San Jose.

Mr. Bloom.

STATEMENT OF DAN BLOOM, SENIOR RESEARCH ASSOCIATE, MANPOWER DEMONSTRATION RESEARCH CORPORATION

Mr. BLOOM. Good morning. My name is Dan Bloom, and I am a Senior Research Associate at the Manpower Demonstration Research Corporation.

MDRC is a nonprofit, nonpartisan organization that develops and rigorously evaluates promising social policy initiatives designed to improve the well-being of various disadvantaged populations, including youth from low income families, and I am privileged to have this opportunity to provide the subcommittee with a broad overview of the research on policies and programs for youth from low income families.

I will also discuss some of the implications of these results in the context of policy options to restructure Federal employment and training programs for youth.

Broad economic trends have sharply diminished the labor market prospects of young people who do not attend college and exacerbated wage inequality in the U.S., but our Nation's productivity and international competitiveness hinge on helping young people, our future labor force, become skilled workers.

During the past 20 years MDRC and other organizations have conducted a number of rigorous tests of programs and policies designed to improve the educational attainment, the employment, and the earnings of disadvantaged youth. Taken as a whole, the results of this research have been pretty discouraging. A variety of approaches have failed to improve participants' labor market success.

But at the same time, there have been beacons, both programs of proven effectiveness, as well as programs of high promise, and these successes provide a foundation on which to build future programs and policies.

For example, several programs that have combined sustained services, adult role models, and financial incentives have succeeded in raising school completion rates among youth who are in school but are at risk of dropping out. For example, a statewide program in Ohio called LEAP, which is a large scale initiative, has produced modest increases in school completion by requiring teenage parents on welfare to attend school. This program mixes financial incentives and penalties with support services and case management.

More recently, a small scale demonstration program called QOP, and that stands for Quantum Opportunities Program, achieved even more dramatic results through an intensive, four-year program, including educational supports like tutoring, community service, college and college planning, sustained adult mentoring throughout high school, and modest stipends. QOP generated large increases in school completion and college enrollment rates among teens from families on welfare.

Now, these programs do not work miracles, but they do seem to make a difference.

Now, it has been notably more difficult to find promising second chance program models to reengage youth who have dropped out of school. A variety of approaches, including subsidized employment, job search assistance, short-term classroom and on-the-job training and programs combining education, training, and support services have all failed to produce sustained effects.

But here, too, there are a few success stories. The Residential Job Corps Program was found to produce gains in employment and earnings and reductions in serious crime in a cost effective manner. An ongoing evaluation will determine whether Job Corps is still succeeding.

More recently, the San Jose-based Center for Employment Training, CET, has achieved strong results for school dropouts by operating relatively short-term, but highly intensive hands-on training courses in high growth industries and building close linkages with the local business community, and we will be hearing more about CET later in this panel.

In structuring a training system for youth, Congress should build on what we know, while simultaneously seeking to learn more. While block grants could certainly eliminate constraints and provide much needed flexibility, States and localities should be given strong financial incentives to build on proven models like CET and to steer away from approaches that research has shown to be ineffective.

States might also be rewarded for building youth systems based on best practice approaches that show promise, even if they have not been rigorously evaluated. These might include approaches that link work experience with training and education, connect young people with adult role models, and provide support after job placement to improve job retention and wage growth.

This is the vision behind the School to Work Opportunities Act, and case study research illustrates that programs that integrate classroom-based instruction with experiential learning at the work place can transform the educational experience of young people and open doors to postsecondary education.

One of the most mature school-to-work models, California's Partnerships Academies, has shown some success in reducing dropout rates.

The concept of linking work and training also underlies promising approaches for school dropouts, such as Youth Build, another program you will hear about today, and Youth Corps programs like the California Conservation Corps.

The Federal Government should be charged with the responsibility of identifying and continually updating the profile of proven and promising program models.

The Federal Government should also insure that scarce Fededral funds are carefully targeted to populations, such as dropouts and non-college bound high school graduates who are the least likely to succeed on their own.

And, finally, it seems clear that a separate stream of funding for youth programs should be maintained. Youth and adults have dramatically different experiences and needs, and programs for the two populations should be judged according to different standards.

At the same time, it is very clear that business as usual is not good enough, especially in an era of greatly constrained resources. We simply do not have enough proven success stories. That is why we think the Fededral Government should adopt the recommendations of a recent National Academy of Sciences panel by embarking on a bold program of experimentation to build the knowledge base about what works for youth. Extensive replication and technical assistance efforts should be undertaken to translate these research findings into strong programs in the field.

In sum, we see four related roles for the Fededral Government under a flexible funding structure for youth employment programs.

First, a funding structure that targets funds where they are needed most and encourages States and localities to adopt and tailor proven and promising program approaches.

Second, technical assistance to disseminate research results to State and local program operators.

Third, strong support for a major new research effort to identify and replicate promising models.

And, fourth, performance standards to insure accountability and promote program effectiveness.

This strategy is not free, but the cost of disinvesting in young people will be much higher in the long term, in purely budgetary terms, in human suffering, and in reduced productivity that could lower the quality of life for everyone.

Chairman McKEON. Thank you very much.

Chairman McKEON. Mr. Derrough.

STATEMENT OF NEIL DERROUGH, PRESIDENT, KNSD–59, CHANNEL 39

Mr. DERROUGH. Thank you, Mr. Chairman.

As the Congressman introduced me, my name is Neil Derrough. I am President and General Manager of KNSD–TV, which is the NBC television affiliate in San Diego. I am also a board member of two employment groups in San Diego, the Private Industry Council and the Chamber of Commerce.

On the Private Industry Council, I chair the Career Center Committee, which initiated the one-stop career centers in San Diego and which we now have five. I thoroughly understand the importance of a strong work force development system at the local level and feel that school-to-work is a critical component.

All job training and education should have strong ties to the employment community. However, school-to-work I think it is even more important that the business or employer community be involved. Our students must understand why and what the work place is while they are in school, while there is a chance for them to go forward and be motivated to stay in school.

That is really why I am pleased to be here today, because the process that we are going through, I feel, as a representative of the employer community and the business community, if working in San Diego, the school-to-work or, as we call it, school-to-career is, indeed, I think, a model in the country as far as effectiveness.

We were fortunate enough to get a grant. We are applying that grant to involve all of the constituencies necessary to make this work, and the constituency that I am most concerned about is the employer constituency, that it is not represented as so many other organizations are. It is not represented by school districts or school boards or county school districts or community college or higher education involvement. It is singly out there, essentially doing the work and not being represented in the way I think it needs to be.

The Private Industry Council offers this employer-driven base so that the employer is truly involved in the process because without the employer, I can just assure you that the process of school-to-work or school-to-career will not work.

As you talk to groups of businessmen, and I am the past Chairman of the Education Round Table in San Diego, and you talk about this issue of school-to-work, they glaze over. They do not understand it. It is our job, as people that represent the business community, and PIC is a very good example, the Chamber, to make sense to these small businesses of 50 or less of why it is important to them to see to it that kids have a chance to do more than just do a field trip from the school and see work, but to actively participate at the lowest level possible, at sixth and seventh and eighth grade if that's possible, so that they can see that there are reasons to stay in school, that there is work out there after they graduate from school.

It is that process that will eliminate a dropout rate or at least take a big step toward eliminating the dropout rate, and my deep concern is that the educational community is so well organized and they are so used to having programs where you can sit and talk and meet, and the business community will continue to do what they do and not get involved in this process.

So I truly recommend to you as people when you look at legislation in the future to make sure that a business-driven organization, ideally chaired by an employer, be in the middle of this mix, not an advisory board, but truly in the middle of it.

In San Diego, our process there is led by the Private Industry Council, the Chamber, and then all of the other elements that take place, such as labor and the various forces of education. It is because of this mix that we have developed there that this process is working, and if I convey nothing else here today it is that there is nothing can be more important in my view than to having the employer and the business community actively a part of the school-to-career, and that is my purpose here today.

I think the Private Industry Council has done a wonderful job of making this happen, and by organizing the rest of the groups to make sure that it continues, and we would like to serve in San Diego as a model, and I am very appreciative of being here today.

[The prepared statement of Mr. Derrough follows:]

Neil Derrough

President and General Manager, KNSD-TV
Private Industry Council Member -- San Diego, California
Chair, Greater San Diego Chamber Business Roundtable for Education

Mr. Chairman, members of the House sub-committee on Postsecondary Education, Training and Life-Long Learning. . .

My name is Neil Derrough. I am the President and General Manager of KNSD-TV, the NBC affiliate in San Diego. I am also a Board Member of two important employer driven groups in San Diego -- the Private Industry Council and the Chamber of Commerce.

All job training and education should have strong ties to the employer community. Our students need to clearly understand the relevance of what they learn in the classroom to applications in the workplace. This is where an employer lead oversight board -- like the Private Industry Council -- has an important role. In fact, our Private Industry Council initiated

EST COPY AVAILABL

San Diego County's School-to-Work partnership, playing the critical role of bringing together educators and employers.

The Private Industry Council is also serving as a facilitator and catalyst for the development of One-Stop Career Centers in San Diego. We already have five One-Stop Career Centers in place throughout the County, with a sixth one scheduled to open later this summer.

Additionally, the PIC has developed a number of integrated service agreements with partners such as the Department of Social Services, State Employment Development Department, local Community Colleges, School Districts, and Labor to coordinate outreach, assessment, case management, education and training services, job development and placement activities.

We also play a key role in consolidating job training and education resources to support economic development, including small business development.

But I would like to focus my remarks this morning on the School-to-Work initiative -- which we are calling School-to-Career in California -- because we recognize that this systemic change is not just for the 80% of our kids that do not go to college -- but for all our youth. We have made tremendous strides in developing a model School-to Work system in San Diego. But we have also faced significant challenges because of conflicting rules and government red-tape.

Our Private Industry Council, by the way, has voted to formally to support this Committee's efforts to consolidate and streamline the job training system -- hopefully eliminating the confusing and contradictory regulations in the process.

As you continue to formulate legislation, please keep in mind the following points for employer involvement in School-to-Work:

- Any successful School-to-Work effort at the local level must have a single oversight body that is driven by the business community. This body should also oversee all other employment preparation programs, including One-Stop Career Centers.
- The Board's composition must have a private sector majority -- including the chair -- and include representatives from other key stakeholders such as education, labor, and economic development representatives.
- The reason for a private sector majority is to ensure that there is a structured mechanism for employer input into the policy making and planning for the School-to-Work system.

- And there must be an emphasis on accountability and outcomes.

I strongly urge this Committee to structure all workforce preparation and training programs -- including School-to-Work -- with the requirement that employers not only be active participants, but lead the process. This model has proved highly successful in San Diego and can work elsewhere in the country.

Thank you for the opportunity to speak this morning.

Chairman McKEON. Thank you.

Ms. Patrick.

STATEMENT OF BRENE PATRICK, ASSISTANT CEO, YOUTH DIVISION, SAN DIEGO PRIVATE INDUSTRY COUNCIL

Ms. PATRICK. Thank you, Mr. Chairman.

My name is Brene Patrick, and as Mr. Cunningham mentioned earlier, I am the Assistant Chief Executive Officer of the San Diego Private Industry Council, and I am in charge of the Youth Division.

In our youth programs, we serve over 7,000 youth each year in the sixth largest city in America. My background includes several years in the private sector, as well as 10 years at the Private Industry Council. I have worked in the Human Resources Department, as well as with youth and adult programs. So I come to you today with that mix of experience. I have hired people; I have trained people; I have actually been in classrooms and I have worked with students, and I see how they learn. I see what excites them. I see what disengages them also.

And we would like to let you know that our programs that we have in San Diego, we have a variety of them. We have a Youth Build Program that we operated on a test basis in San Diego. We have a Youth Fair Chance Program. We have a variety of programs, but what we have done in San Diego is we have decided that we need a system. We need a system that consolidates all of the different programs and has one way of educating young people, and then you can have different variations of that, but that there needs to be a framework by which all of the young people get the same type of experiences.

For the disadvantaged young people in San Diego, we insure that they are a part of the school-to-career system. Our Private Industry Council insures that by being in the lead position in the school-to-career initiative or school-to-work initiative in San Diego, and we insure that our programs have all of the components, and that the schools realize that in-school programs and out-of-school programs are there as a resource.

We have many reasons why we think our programs are successful, but I would like to highlight just a few of them for you today.

Our programs continue to be outcome driven; that we have totally embraced the school-to-work system of education for all of our program models; and that all of our programs are based on the SCANS or general work place competencies; that we have a strong labor market research component in our programs, and we have an automated database that is at all of the schools that we work with where the young people are able to get information on a variety of occupations throughout our city, our State, as well as the Nation, and the private sector oversight that is provided by the Private Industry Council.

The Private Industry Council in terms of outcomes insures accountability, and that all of our programs are quality programs. By that I mean that they approve the design of our program, the outcome, and all of our programs are evaluated every year by our Private Industry Council. Those programs that are not successful in meeting their outcomes are no longer funded in San Diego. We do not continue to fund the same old programs that do not show success and that are not able to increase the employability of young people and to get them jobs when that is the outcome.

In our school-to-work programs, the Private Industry Council actually took the lead in establishing the school-to-work system in San Diego. We were recipients of one of 15 grants for local implementation, and the Private Industry Council continues to insure that accountability and outcome, in addition to process, is part of our focus; that we look at what actually are young people going to learn and what do the disadvantaged young people need in terms of extra help to make sure of their success.

All of the JTPA programs in San Diego have a very extensive career assessment component. We believe that the disadvantaged young people particularly need to find out the variety of occupations that are available to them that they may not have been exposed to by parents or other people in their community.

We also have an extensive career exploration component that allows them to actually go out and observe in the work place people at work. It is one thing to decide that you want to be a doctor or a nurse or a lab technician. It is another thing to go to the hospital and see that environment.

So we encourage all young people to go out before they make a training decision, an occupational decision, and see some of the work environment that they might be interested in.

We also have several one-stop career centers that also do in depth assessment for youth, especially the older youth, to make sure that they are making a good career choice.

The Summer Jobs Program is a critical piece of our year round programs. It is linked with our school-to-career, school-to-work effort, and it provides a very critical component of work-based experience or internships for the young people. So they actually go through a year of classroom activities, and then in the summer they actually get a work site that reinforces what they learned throughout the year, and we think that having that makes a major difference in the young people's lives.

I personally went through a program like that about 25 years ago. It was a while back, but it made a great difference in terms of how I saw the connection between school and work, in helping me to make a decision to continue my education and actually had a great deal to do with the field that I am in today. I worked at the Social Security Administration, and I realized at that time that I wanted to continue in the service of our community.

As I mentioned before, all of our programs are SCAN Space. That means basic education, as well as occupational training. We seek to build not just reading, writing, and arithmetic and occupational skills in every young person, but critical thinking skills, good communication skills, and the ability to use technology and work in teams.

We believe that it does not matter what occupation they are studying for. It does not matter which classroom they are in, whether it is math or P.E.; that they need to learn these basic skills. So all of our programs have these components.

As I mentioned earlier, we believe that labor market information is very important to young people. As things change so rapidly, young people need to know how to access labor market information and how to have that help them in their career planning. So we have developed a software that provides a variety of information to young people regarding benefits, the hourly wage, the annual wage, what kind of education requirements are needed for certain occupations, and that is available through all of the schools that work with the JTPA Program so that they can have that kind of labor market information.

And, lastly, again, the oversight of the Private Industry Council cannot be overemphasized. It provides a structured way for us to get employer input and feedback for our programs, to insure that the young people actually meet employer expectations, and again, the Private Industry Council continues to push us towards outcomes, towards accountability for our programs, and just makes sure that whatever is going on in our youth training programs, that we have accountability to our community, to the employers, and to the young people that we serve.

Thank you.

[The prepared statement of Ms. Patrick follows:]

Brene Patrick

Assistant Chief Executive Officer, Youth Programs

San Diego Consortium & Private Industry Council

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE. I AM BRENE PATRICK, ASSISTANT CHIEF EXECUTIVE OFFICER FOR THE SAN DIEGO PRIVATE INDUSTRY COUNCIL. I AM IN CHARGE OF ALL YOUTH PROGRAMS AND INITIATIVES FOR OUR ORGANIZATION. BETWEEN 5,000 AND 7,000 YOUTH ARE SERVED ANNUALLY BY THE PRIVATE INDUSTRY COUNCIL IN SAN DIEGO, THE NATION'S 6TH LARGEST CITY.

YOU ASKED US HERE TODAY TO TALK WITH YOU ABOUT WHY WE'RE EFFECTIVE IN WHAT WE DO FOR YOUTH IN OUR COMMUNITY. THERE ARE MANY REASONS. BUT FOR PURPOSES OF THIS HEARING, WE HAVE DEFINED FIVE KEY AREAS.

1.

FIRST, WE ARE OUTCOME-DRIVEN.

WE MEASURE OUR PROGRAMS AND THEIR RESULTS EVERY STEP OF THE WAY. IN TURN, OUR PERFORMANCE IS MEASURED BY THE PRIVATE INDUSTRY COUNCIL.

TO ILLUSTRATE, WE PRODUCE YOUTH WHO ARE VIABLE JOB CANDIDATES BECAUSE WE WORK WITH EMPLOYERS TO MAKE SURE THAT WE PROVIDE YOUTH WITH THE TRAINING AND SKILLS THAT EMPLOYERS WANT. INDEED, IN LARGE MEASURE, WE ARE GOVERNED BY THE PRIVATE INDUSTRY COUNCIL.

WHEN ITS MEMBERS SPEAK, WE LISTEN. IF WE DON'T PRODUCE WHAT THEY WANT, WE HEAR ABOUT IT.

2.

SECOND, WE FULLY EMBRACE THE SCHOOL-TO-WORK CONCEPT, INCLUDING INTEGRATING SCHOOL ACTIVITIES, EMPLOYER AND COMMUNITY RESOURCES.

EVEN BEFORE IT WAS MANDATED BY THE CONGRESS LAST YEAR, SCHOOL-TO-WORK WAS PART OF OUR HEART, OUR SOUL AND OUR WORK.

ALL JOB TRAINING PARTNERSHIP ACT PROGRAMS ARE A PART OF THE COUNTYWIDE SCHOOL-TO-WORK SYSTEM. WE ARE ONE OF ONLY 15 SITES NATIONWIDE TO BE GRANT FUNDED FOR THIS SYSTEMIC CHANGE TO EDUCATION AND THE WORKPLACE.

THROUGH THE SYSTEM, EVERY YOUTH FUNDED BY THE JTPA RECEIVES CAREER ASSESSMENT *BEFORE* HE OR SHE ENROLLS IN TRAINING.

ALL OF OUR JOB TRAINING PARTNERSHIP ACT-FUNDED PROGRAMS ARE PART OF SAN DIEGO'S ONE-STOP CAREER CENTER NETWORK. IN FACT, THE PRIVATE INDUSTRY COUNCIL LEAD THE WAY IN THIS DEVELOPMENT THROUGH ITS ONGOING STRATEGIC PLANNING PROCESS.

OUR ONE-STOP CAREER CENTER NETWORK IS AVAILABLE FOR YOUTH ASSESSMENT. THE ASSESSMENT PROCESS INCLUDES TIME SPENT BY EACH YOUTH IN AT LEAST TWO WORKSITES BEFORE THEY DECIDE ON A CAREER PATH.

THIS IS *ABSOLUTELY CRITICAL* FOR MOST YOUTH BECAUSE THEY HAVEN'T HAD MUCH EXPOSURE TO A WIDE VARIETY OF OCCUPATIONS AND CAREER OPPORTUNITIES.

OUR SUMMER JOBS PROGRAM, WHICH WE CALL "HIRE-A-YOUTH" IN SAN DIEGO, IS AN INTEGRAL PART OF OUR SCHOOL-TO-WORK SYSTEM, TOO.

SCHOOL-TO-WORK IS THE FORUM WHERE WE NOW LINK THE SUMMER JOBS PROGRAM TO OUR YEAR-ROUND YOUTH-TRAINING ACTIVITIES. YOUTH GET A MEANINGFUL WORK EXPERIENCE IN THE SUMMER TO REINFORCE WHAT THEY LEARN IN SCHOOL. IT'S A RESPONSIBLE EFFORT ON OUR PART TO MAKE WORK AND SCHOOL COUNT TOGETHER.

THE VALUE OF THE SUMMER JOBS PROGRAM CANNOT BE STRESSED ENOUGH. IT REALLY DOES GIVE YOUTH THE PRACTICAL EXPERIENCE THAT LAYS THE FOUNDATION FOR

FUTURE EMPLOYMENT. TO LOSE THAT PROGRAM WOULD UNDERMINE THE CONCEPT OF THE SCHOOL-TO-WORK MANDATE BY CONGRESS LAST YEAR.

3.

THIRD, WE ARE EFFECTIVE BECAUSE "SCANS" IS INCORPORATED INTO ALL OF OUR YOUTH PROGRAMS. THE VALUE OF THE SECRETARY'S COMMISSION ON ACHIEVING NECESSARY SKILLS IS NOT LOST ON US. LEARNING BY DOING IS THE PROCESS THAT WE USE TO ENSURE THAT YOUTH LEARN THE NECESSARY SKILLS IN INTERACTIVE CLASSES , YOUTHS MUST PUT THEMSELVES ON THE LINE TO OPENLY DEMONSTRATE AND SHARPEN THEIR CRITICAL THINKING SKILLS. WHEN THEY CAN THINK, THEY CAN ALSO SOLVE PROBLEMS, AND SPEAK AND WRITE CLEARLY.

EVEN THOUGH THEY'RE JUST INANIMATE OBJECTS, COMPUTERS STILL HOLD A MYSTIQUE FOR MANY. STILL, THEY SIMPLY WAIT FOR HUMAN COMMANDS.

WHEN YOUTH ARE ABLE TO UNDERSTAND THIS AND HOW COMPUTERS WORK, THEY CAN UTILIZE THEM, TOO. TECHNOLOGY IS A CORE COMPONENT OF THE SKILLS WE TEACH.

YOUTH BECOME WORK-READY BECAUSE WE INSTILL IN THEM A BASIC KNOWLEDGE OF WHAT IT TAKES, AND WHAT IT MEANS, TO MEET THE PERFORMANCE EXPECTATIONS OF AN EMPLOYER.

WHEN YOUTH ARE INDIVIDUALLY ADEPT AT ALL THESE THINGS, THEY ARE ABLE TO WORK WITH EACH OTHER IN THE CLASSROOM, IN THEIR GROUP AND IN THE WORKPLACE.

4.

FOURTH, EACH YOUTH IS EXPOSED TO EXTENSIVE LABOR MARKET RESEARCH INFORMATION AND CAREER OPPORTUNITIES.

OUR RESPONSIBILITY AT THE SAN DIEGO PRIVATE INDUSTRY COUNCIL GOES FAR BEYOND EXPOSING A YOUNG PERSON TO EDUCATION AND TRAINING.

WE OFFER OCCUPATIONAL SKILLS TRAINING ONLY IN INDUSTRIES THAT ARE PROJECTED FOR GROWTH AND A REASONABLE MEASURE OF FUTURE STABILITY.

SAN DIEGO HAS GONE THROUGH A MUCH LONGER AND MORE DIFFICULT ECONOMIC RECOVERY THAN MANY AREAS OF THE NATION. THE LAST THING WE WANT TO DO IS FOSTER ANOTHER GROUP OF PEOPLE WHO CAN'T FIND WORK IN SPITE OF THEIR TRAINING.

YOUTH HAVE ACCESS TO OUR VERY OWN EXTENSIVE LABOR MARKET RESEARCH PROGRAM. ERISS, A SOFTWARE PROGRAM DEVELOPED BY THE SAN DIEGO PRIVATE INDUSTRY COUNCIL AND A LOCAL SOFTWARE

COMPANY, REALLY MAKES IT CLEAR TO YOUTHS WHO WANT TO KNOW WHAT THE PROSPECTS ARE FOR WORKING IN A PARTICULAR INDUSTRY.

THE PROGRAM SPELLS OUT DETAILS ABOUT WAGES, EDUCATION, GROWTH AND OTHER PERTINENT INFORMATION ABOUT WORKING IN A PARTICULAR JOB AND INDUSTRY IN SAN DIEGO AND NATIONALLY.

5.

FINALLY, WE WORK CLOSELY WITH THE PRIVATE SECTOR EVERY STEP OF THE WAY.

THERE IS NOT ENOUGH TIME TODAY FOR YOU TO HEAR HOW THE FACE AND THE NEEDS OF BUSINESS HAVE CHANGED IN SAN DIEGO COUNTY OVER THE PAST THREE YEARS. PLEASE TAKE MY WORD THAT ALL BUT A FEW OF THE REGION'S OLDEST, MOST PRESTIGIOUS AND SUCCESSFUL BUSINESSES ARE GONE.

THEY WERE FORCED TO FOLD, WERE MERGED, ACQUIRED OR OTHERWISE FELL VICTIM TO THE NATIONAL ECONOMY. MANY SURVIVORS ARE TRYING NOT TO LOSE ANYMORE. MANY MORE ARE DUSTING THEMSELVES OFF AND REMAKING THEMSELVES INTO SOMETHING NEW.

YOU CAN BET THAT THOSE WHO REMAIN SPEAK LOUDLY AND CLEARLY ABOUT THEIR NEEDS TO RESTART AND BUILD BETTER, STRONGER AND MORE EFFECTIVELY IN THE WORKPLACE.

WE HEAR ALL ABOUT IT BECAUSE THEY CAN'T DO IT WITHOUT AN EQUALLY RESOLVED, STRONG AND WELL-TRAINED WORKFORCE.

THE PRIVATE INDUSTRY COUNCIL IS OUR CONSCIENCE, OUR GUIDE, OUR EAR TO THE GROUND AND OUR PARTNER. WITH THEM, WE KNOW WHAT IT TAKES TO CREATE A WORKFORCE THAT WILL MAKE SAN DIEGO WORK WELL AGAIN.

ONCE AGAIN, MR. CHAIRMAN, LADIES AND GENTLEMEN WE ARE EFFECTIVE BECAUSE:

1.

FIRST, WE ARE OUTCOME-DRIVEN

2.

SECOND, WE FULLY EMBRACE THE SCHOOL-TO-WORK CONCEPT, INCLUDING INTEGRATING SCHOOL ACTIVITIES, EMPLOYER AND COMMUNITY RESOURCES.

3.

THIRD, WE ARE EFFECTIVE BECAUSE "SCANS" IS INCORPORATED INTO ALL OF OUR YOUTH PROGRAMS

4.

FOURTH, EACH YOUTH IS EXPOSED TO EXTENSIVE LABOR MARKET RESEARCH INFORMATION AND CAREER OPPORTUNITIES.

5.

FINALLY, WE WORK CLOSELY WITH THE PRIVATE SECTOR EVERY STEP OF THE WAY.

I CLOSE TODAY BY TELLING YOU THAT I AM A PRODUCT OF THE SOUTH CENTRAL LOS ANGELES AREA SUMMER WORK PROGRAM OF ABOUT 20 YEARS AGO.

I WAS 14 YEARS OLD WHEN THAT PROGRAM GOT ME OFF THE STREETS AND OUT OF THE HOUSE IN MY LOW-INCOME NEIGHBORHOOD.

I PROGRESSED FROM MY FIRST JOB TO A CAREER IN RETAIL SALES AND MANAGEMENT. I'VE WORKED WITH THE SAN DIEGO PRIVATE INDUSTRY COUNCIL NOW FOR 10 YEARS -- FIRST IN HUMAN RESOURCES AND NOW OVERSEEING ALL OF OUR YOUTH PROGRAMS.

EVERY ONE OF THE 6,000 YOUTHS THAT WE PLACE IN SUMMER JOBS EACH YEAR COULD BE ME. THE SUMMER JOBS PROGRAM WAS MY FIRST CHANCE -- MAYBE IT WAS MY ONLY CHANCE.

THANK YOU, AGAIN, FOR INVITING US TO BE HERE TODAY.

###

Chairman McKEON. Thank you very much.
Mr. Tershy.

STATEMENT OF RUSS TERSHY, DIRECTOR, CENTER FOR EMPLOYMENT TRAINING

Mr. TERSHY. Mr. Chairman, I am Russell Tershy, President of the Center for Employment Training which is headquartered in San Jose, California. I am honored to be asked to appear before this committee today.

The Center for Employment Training is 27 years old. It operates centers in 40 cities from coast to coast. Most of CET's students are minority recipients of welfare, functionally illiterate, and are hard core unemployed, with little or no work history. Among them are young people with substance abuse or law enforcement problems and young welfare mothers.

CET has trained and placed into gainful employment over 65,000 men and women of all ages in permanent, nonsubsidized jobs as machinists, precision sheetmetal specialists, welders, CAD drafters, printing press operators, data entry clerks, computer accountants, word processors, culinary workers, shipping and receiving specialists, child care providers, electronic technicians, and many other skills.

Approximately 25 to 30 percent of our placements have been students from 17 to 21 years of age.

I suppose I have been invited here to testify largely because of the highly publicized results from two research projects in which CET was involved, the Rockefeller Foundation's research on minority single female parents. From the four programs researched, only CET participants showed significant results.

The New York-based Manpower Demonstration Research Project mentioned here today measured 15 programs enrolled in the Job Start Demonstration Project for Disadvantaged Youth. For four years they tracked 2,312 participating school dropout youth who are below eighth grade reading and math levels. Apparently CET was the only program found to have statistically significant long-term positive impact on the earnings of the training participants. Over the four years of that study, earnings of CET's graduates increased $6,700 per year above the control group average.

I have been asked the question repeatedly. How did CET produce such results while the other programs that were researched showed negative results? Maybe, I am not sure about it, but maybe, just maybe it is because other programs place their students directly into employment with only basic skills training or perhaps they subjected their students to the traditional sequential educational approach which requires basic skills and GED as prerequisites to technical training.

Maybe those programs among those in the research studies brokered their students from a basic skills component to another program or department for the machine skills component, thus fragmenting their students.

At CET we believe that traditional classroom training just reinforces old memories about failing in school. Many students dropped out of such programs long before they get their hands on a machine. Why? Because they are divorced from the technical skills equipment. The prospect of a job becomes too abstract, too invisible, too unreal.

Maybe CET is successful because our students learn through action, not abstraction. Our students experience hands-on machines training within the first hour. When they start training on a machine, they can see a direct route to a specific job. Their self-esteem is automatically enhanced with each successful task accomplished on that machine.

For example, we teach machine shop math. We teach blueprint reading, comprehension and English. Similarly, we teach basic skills in computer literacy designed and integrated with the technical competency for shipping and receiving.

At CET basic skills are secondary, although important. Both skills and life skills are continuously integrated into the theory and application of operating the machines.

Maybe CET works because it has a program that challenges the standard notions of training for the disadvantaged and inability to turn welfare recipients into workers.

Maybe it is because CET is successful to everyone. Unlike traditional training models, CET refuses to turn away students because they appear to be poor training risks.

Maybe CET is successful because it is tightly linked with industry. CET hires instructors right out of industries, instructors who know just what industry needs, wants, and requires. Industry dictates our technical competency curriculum and advises us on up-to-date training equipment through our Industry Advisory Councils and Skill-based Technical Advisory Committees.

Maybe CET is successful because its training is holistic. We train the students in communications, leadership, job preparation, job interviews, work disciplines, productivity, and employer expectations. With concurrent integrated courses in life skills, students develop self-esteem and self-confidence along with specific job skills.

Maybe CET is successful because CET is intensive. Students typically spend six months in the program and train 35 to 40 hours per week.

Maybe CET is successful because of the individualized self-paced instruction. Unlike other training models, CET has no fixed course link. In order to manage the self-paced individualized training, CET has an open entry, open exit training system. Some students may be job ready sooner than others. Our job developers market our students and arrange their interviews, but the job ready student remains in training until placed on the job.

A job placement is a diploma at CET, and we do not let them out of our sight until they are actually on the job. We follow up with them for six months.

Because of CET's training design and its well researched accomplishments, CET is now in the third year of a contract with the U.S. Department of Labor to help training agencies around the country replicate CET's training site. Fourteen CET model programs have been stated in eight additional States to date.

Mr. Chairman, I would like to suggest how successful training models, such as CET, and there are others, could be integrated into legislative reform and consolidation of Fededral training programs.

Perhaps the simplest way to insure the adoption of successful programs like ours and others by local federally assisted job training programs is to make the model available through technical assistance. Mr. Chairman, our country needs successful models, such CET, that have exceptional outcomes in even the hardest to train. It would be a shame if legislatively we consolidate and reform Federal training program and yet State and local agencies did not use the opportunity of adopting training models that work.

We recommend replication of perhaps 100 to 200 sites per year.

Finally, Mr. Chairman, I want to emphasize the importance of Federal training funds specifically targeted to youth. Without discrete Federal resources for disadvantaged youth, the pressure for reemployment services and adult training to address the needs of the current work force will often overwhelm the need to invest in training youth, the work force of tomorrow.

Thank you, again, Mr. Chairman, for the opportunity to testify. I would be happy to respond to any questions.

[The prepared statement of Mr. Tershy follows:]

RUSSELL TERSHY

PRESIDENT

CENTER FOR EMPLOYMENT TRAINING

Mr. Chairman, I am Russell Tershy, President of the Center for Employment Training which is headquartered in San Jose, CA.

I am honored to be asked to appear before the Subcommittee today representing the students, staff, board of directors, and volunteer members of CET's industrial advisory boards at each of our forty sites.

The Center for Employment Training is 27 years old. It is one of the nation's largest non-profit, community-based, vocational training providers. It operates centers in 40 cities from coast to coast.

Most of CET's students are minority, recipients of welfare, functionally illiterate, and/or hard-core unemployed, with little or no work history. Among them are young people with substance-abuse or law enforcement problems, and young welfare mothers.

CET has trained and placed into gainful employment over 65,000 men and women of all ages in permanent, non-subsidized jobs as Machinists, Precision Sheet Metal Specialists, Welders, Computer Assisted Drafters, Printing Press Operators, Data Entry Clerks, Computer Accountants, Word Processors, Culinary Workers, Shipping/Receiving Specialists, Child Care Providers, Electronic Testers and Technicians.

Approximately 25 to 30% of our placements have been students from 17 to 21 years of age. If the Department of Labor's definition of youth were to include 22 to 24-year-olds, the percentage of youth we have trained would be much greater than 30%.

###

I suppose I have been invited here to testify largely because of highly publicized results from two research projects in which CET was involved:

1) Mathematics Policy Research, Inc. conducted a rigorous five year study of the Rockefeller Foundation's research on four national Job Training Programs for Minority Single Female Parents. From the four programs, only CET participants showed significant results.

2) The New York based Manpower Demonstration Research Corporation (MDRC) measured 15 programs enrolled in the JOBSTART Demonstration project for disadvantaged youth. For four years, they tracked 2312 participating school-drop-out youth who were below eighth grade reading and math levels.

Apparently, CET was the only program found to have "statistically

BEST COPY AVAILABLE

significant" long-term positive impact on the earnings of the training participants.

Over the four years of that study, earnings of CET's graduates increased $6,700 per year above the control group average. The other programs combined average itself was only a disappointing $214 over the controls.

I have been asked the question repeatedly, "How did CET produce such results while the other programs that were researched show negative results?"

Maybe it's because other programs placed their students directly into employment with only basic skills training, or perhaps they subjected their students to the traditional sequential educational approach, which requires basic skills and GED as prerequisites to technical skill training.

Maybe most programs among those in the research studies brokered their students from a basic skills component to another program or department for the machine skills component.

At CET we believe that traditional classroom training just reinforces old memories about failing in school. Many students drop out of such programs long before they get their hands on a machine. Why? Because they are divorced from the technical skills equipment. The prospect of a job becomes too abstract, too invisible, too unreal.

Maybe CET is successful because our students learn through action - not abstraction. Our students experience hands-on-machines within the first hour of training. When they start training on a machine they can see a direct route to a specific job. Their self-esteem is automatically enhanced with each successful task accomplished on that machine.

At CET, basic skills are secondary, although important. Basic skills and life skills are continually integrated into the theory and application of operating the machines.

Thus, we teach Machine Shop-Precision-Sheet-Metal math, we teach blueprint Machine-Shop-Sheet Metal reading comprehension and English. Similarly, we teach basic skills and computer literacy designed for, and integrated with the technical competencies for Shipping and Receiving.

Maybe CET is successful because it has a program that challenges the standard notions of training for the disadvantaged and the inability to turn welfare recipients into workers.

Maybe it's because CET is accessible to everyone.

Unlike traditional training models, CET refuses to turn away students because they appear to be poor training risks. Any income-eligible applicant is admitted into training without creaming, and is provided with all of the services required to make them literate and provide them with a marketable skill.

This commitment to "not screening out the most-in-need" has forced CET to develop a cost-effective training model that serves a wide range of people.

Maybe CET is successful because it is tightly linked with industry.

CET hires, for its instructors, current and highly qualified technical people right out of industry, instructors who know what industry needs, wants, and requires. These instructors drill students in the norms of the workplace. For example, students must punch time clocks to get accustomed to showing up promptly.

Through an industrial Advisory Council and a Technical Advisory Committee for each skill, industry dictates our technical competency curriculum and advises us on up-to-date training equipment that emulates current industrial models.

As industry demands change, the skills that CET teaches change to meet the demand.

Volunteers from industry even help to conduct one-on-one mock employment interviews with our students.

Maybe CET is successful because its training is holistic.

We focus on "hands-on-machines" but combine basic education and related services in context with this core training to provide a holistic approach to train the hardest-to-serve.

We train the student in communications, leadership, job preparation; job interviews, work disciplines, productivity and employer expectations. We train in family budgeting, purchasing, and organization. We provide educational programs on nutrition, AIDS, and drug abuse.

With concurrent, integrated courses in life skills, students develop self-esteem and self-confidence along with specific job skills. And when they leave, they are prepared for a lifetime of productive work in well paying jobs.

Maybe CET is successful because it is intensive. Students typically spend six months in the program and train 35 to 40 hours per week. Approximately 70% of the hours are devoted to hands-on practicing to master efficient production on technical equipment.

BEST COPY AVAILABLE

Maybe CET is successful because teaching is carried out by a team which is fortified with a support counselor that provides crisis intervention and needed resource connections.

Each team has two instructors who are with the same students most of the seven-to-eight-hour-day/five-day-week. Teaching is a combined counseling, human development, skill training process.

Maybe CET is successful because of its individualized self-paced instruction.

Unlike most other training schools, CET has no fixed course length. Although students must master certain core competencies, they do so at their own pace.

In order to manage this self-paced , individualized training, CET has an open-entry, open-exit training system.

It follows, then, that some students may successfully complete the training competencies and be job ready in 900 hours or 26 weeks. Some may be job-ready sooner and still others may require 1100 hours or more.

This means that CET enrolls students each week to fill the training slots made available. Prospective students can be enrolled as soon as a vacancy occurs.

Maybe the CET model works because we do not graduate any student until that student is placed on a good-paying job.

Our Job Developers market our students and arrange their employment interviews. But the job-ready student remains in training until placed on the job in industry. Especially during this time, as well as throughout training, students engage in peer teaching and counseling to enhance their self-images and to help their fellow students.

Counseling doesn't stop when a student starts a job. CET follows up with students for six months after graduation to help them cope with any problems that could diminish their chances for success.

###

Because of CET's training design and its well-researched accomplishments, CET is now in its third year of a contract with the U.S. Department of Labor to help training agencies around the country replicate CET's training design. Fourteen CET-Model programs have been started in eight additional States. Of these programs eight have been training students for over nine months and six sites have just recently started.

Mr. Chairman, I would also like to suggest how our successful CET model could be integrated into legislative reform and consolidation of federal training programs.

Perhaps the simplest way to ensure the adoption of successful models like ours by local, federally assisted job training programs is to make the model available through technical assistance. This has proven highly effective in the current CET technical assistance program sponsored by DOL. The demand for this technical assistance from CET through DOL far outstrips the resources allocated to it. Local programs are not likely to willingly spend their precious training dollars for such assistance. However, if it is available to them without the need to redirect dollars committed to training, they have already demonstrated that they will seek it. If most or all federal training programs for the disadvantaged are consolidated, Mr. Chairman, our suggestion would be that sufficient technical assistance resources be reserved to make help available to implement models such as CET and other successful programs as perhaps two hundred local sites per year. We are currently replicating the CET model at about eight sites per year under the DOL program.

I also believe, Mr. Chairman, that outcomes measures for performance including incentives for successful performance and disincentives for failure, will encourage state and local administering agencies to seek out and implement successful models for training the disadvantaged. As you know, Mr. Chairman, the federal government has been in this training business at least as long as CET has. We do know what works. There are successful models such as CET that have exceptional outcomes with even the hardest to train. It would be a shame if you and your Subcommittee are successful in legislatively consolidating and reforming federal training programs and yet many state and local agencies did not use that opportunity of reform to improve their own programs by adopting models that work. I would hope that this Subcommittee would provide incentives to adopt such models and ensure that technical assistance is available to them to implement successful models such as CET without requiring them to redirect their precious training dollars away from direct service to trainees.

Finally, Mr. Chairman, I want to emphasize the importance of federal training funds specifically for youth. Without discrete federal resources for disadvantaged youth, the pressure for reemployment services and adult training to address the needs of the current workforce will often overwhelm the need to invest in the workforce of the future. Emphasis on school to work efforts and in-school programs may also diminish. Since we are discussing federal tax dollars, I believe it is essential for the federal government to ensure a focus within these training resources upon the workforce of the future.

Thank you again, Mr. Chairman, for the opportunity to testify. I would be happy to respond to any questions.

Chairman McKEON. Thank you very much.
Mr. Guzman.

STATEMENT OF ESTABAN GUZMAN, GRADUATE FROM THE CET PROGRAM

Mr. GUZMAN. Good morning, ladies and gentlemen. Good morning, Mr. Chairman.

On behalf of all youth that have been helped, such as myself, I would like to thank CET, one of the schools that has been successful, and others that are looking into helping youths like myself being troubled in this time of the years.

Let me tell you about myself. Through high school to my sophomore year, I found myself being affiliated with gangs, and for myself I think of it as not a good opportunity of getting ahead in life, but I saw it before as fun, and through the year of my sophomore year, I found myself starting to get out of it already, and a month after I made my decision, I got in front of my house, which is in a neighborhood fairly well known for drugs, for myself in a situation that would change my life dramatically to the point of being a better person, and this incident was that I got stabbed seven times throughout my body and sent me in the hospital for two weeks, and I think this is the first turning point of my life and made me more wise of how I live.

So I got past that incident, obstacle through my life and came across through my high school years drugs, and that was another obstacle which I had to surpass and get by without any harm to my self-esteem, but it was hard because that took my self-esteem down, and my motivations toward school were not that great.

So what I had the intention to do was just dropping out and finding myself a job, which nowadays is kind of hard without any training or experience, and at that time I did not have any job experience or any training, but I did like going to school and learning, but with the drugs, that was another thing.

So what I did was I joined a program at school. It is called Jobs for California Graduates, and they tried to help me graduate, which did not succeed. So they took it a different route, and this alternative route was that maybe I should look into training, which at that time I was 17, and they directed me towards CET.

So I took the chance and opportunity to go here and take a chance at life. So from here I took it, but what followed me was the drug problem, and midway during my course at CET, I was confronted by staff and asked if I wanted to take care of this problem, and you know, I see myself like stuck in life, making little crossroads, deciding which way to go.

And from here I took the right choice for myself because I see myself, my getting ahead in life, it is for myself. It has been mostly six months that I have dropped the drugs, and it is going better now. My self-esteem has gone higher, and I have been motivated to go to school, and I am planning to continue with college, and this is not the end.

At CET I took CAD drafting training, which I had in high school and I did not want to just drop it. I continued with the CET program at CAD drafting, and that helped me to get some training. From there I trained and trained, and midway through when I dropped the drugs, I started staying, you know, during lunch, any time I had so I could get more into my brain so I could use it in the work place, and that really helped me a lot, and they gave me the opportunities during lunch and, you know, it really helped.

So from here, I got an interview. Well, they helped me get prepared for this interview, and now that I am 18, I am considered a junior draftsman and am making $10 an hour, and this is my first employment. This is the first job I ever had, and I would really like to thank these people who really helped me. I really appreciate their kind of help, and I am looking for other help for people like me.

And I am speaking on behalf of all of the youth, all of the problem youth, and you know, maybe there is more to come in the future. We need to be thankful.

Thank you, Mr. Chairman.

Chairman McKEON. Thank you.

Did you say $18 an hour?

Mr. GUZMAN. Ten.

Chairman McKEON. Ten dollars an hour? That is pretty good.

Mr. Williams

Mr. WILLIAMS: Thank you, Mr. Chairman, and thanks to you. You have been helpful.

Mr. Guzman, you will probably find in life that these crossroads that you have witnessed so far come back again. You will have other temptations as you go through life, and you will have to always struggle to be sure you take the right fork in the road, but you are off to a good start.

What was the primary motivation for you to go to CET? You have described some pretty significant events in your life, one for sure, the incident in front of your house, but was there a person or a piece of information that came to you or was there one thing that alerted you to CET and made you say, yes, I will go do this?

How did you know about CET? Who convinced you? How did you come across it?

Mr. GUZMAN. Like I mentioned, there is a program at my school in the high school that is called Jobs for California Graduates, and this man, he helped me. I will mention his name, James Rocca.

Mr. WILLIAMS: Does he work for the school?

Mr. GUZMAN. I think he works under that program, which is located at the high school, and he showed me different ways of going, and he told me he had a buddy at CET, and so he told me he was going to try to get me in. You know, I was willing to try.

Mr. WILLIAMS: Did he go to you or did you find him?

Mr. GUZMAN. Well, actually, they sort of put us together, for him to work with me and maybe find a way of achieving life.

Mr. WILLIAMS: Was it your counselor that put you together wit him?

Mr. GUZMAN. Yes, and he directed me towards CET, and from there the staff did the rest.

Mr. WILLIAMS: The House Representative seems determined this week to end the Summer Youth both for this year and next. I personally think that would be a tragic mistake, and it seems to me ludicrous. On the one hand, we are having hearings about how important these things are and, on the other hand, we are voting to get rid of them.

Do any of you want to comment about what you think the end of Summer Youth would do to low income youths in your communities?

Ms. PATRICK. I would.

Mr. WILLIAMS: Mr. Guzman, would you give Ms. Patrick the microphone? Thank you.

Ms. PATRICK. Just a couple of things, Mr. Williams.

As I mentioned to you before, in San Diego and, I understand in a lot of other areas, they are putting the Summer Youth Program together with the School-to-Career Program. Because there are so many young people who need to have a work experience, and especially for disadvantaged young people, it is hard for them to make the connection to the world of work without some additional help. They are not always as likely to go to the places of employment and have the background and the experience in social settings to be able to go right out and get a job without help.

What we have done in San Diego is actually have our contractors, who provide our Summer Youth Program, work with the schools so that there is a continuum of services. What the young people are learning during the year is supported by what they learn in the summer, and they get additional help. So they do not get just the summer job, but they get how to get a job, how to keep a job, how to resolve conflict. They get a counselor that works with them much the way Mr. Guzman mentioned, you know, to give him that guidance and sort of line a mentor-counselor kind of relationship.

So there is a need to continue that effort because everything, I think, on the panel kind of agrees that the school-to-career system is the way to go, education matched with a real practical, hands-on kind of experience for young people is the way to go, and there is enough research to back that up.

But from a personal perspective, again, I had the opportunity to go through a summer jobs program before there was a School-to-Career, and I will tell you it makes a major difference in the life of a young person from an economically disadvantaged community because there are yet people who have never been in an elevator. There are young people who have never been in an office on the other side of the desk, and it gives you a perspective that you can put yourself in that kind of a position in the future if you stay in school and if you do the right things. It lets you know that you can be a part of that system, earn some extra money. It teaches you those kinds of things, but it actually gives you work place skills: how to be on time, how to follow directions, how to communicate, how to express yourself in difficult situations.

So I can say that in terms of in San Diego, we have coordinated it so that it is not just a dead end summer job. That is it and it is over, but also that even in and of itself it makes a difference in young people's lives that I know I would not be probably where I am if I had not had that experience.

Mr. WILLIAMS: Thank you.

Thank you, Mr. Chairman.

Chairman MCKEON. Mr. Derrough.

Mr. DERROUGH. I would just like to add to that. As in my message, employer incentives, I think, are critical to particularly the small business, which makes up such a large percentage of the businesses in this country. If there is economic incentive to allow the young student to be a part of the work place, then I think it gets over one large hurdle that I think businesses have to encounter.

First of all, you have to agree and come to grips with the concept that it is necessary, and then after you agree that the concept is appropriate, then there are economic concerns, and if, I think, this incentive is taken away, then indeed it is another hurdle that business has to get over before it includes not just their advice, but their actual hands on, which I think is a major part of what happens here.

The young people get inside of business and touch things and become motivated so they can go back and stay in school, which is critical to the mix, I think.

Chairman MCKEON. Thank you.

Mr. Souder.

Mr. SOUDER. I am sorry I missed the first part. I assume, Mr. Bloom, did you do the MDRC?

Mr. BLOOM. Yes.

Mr. SOUDER. I have a couple of questions related to Mr. Tershy's program.

When you trap the control groups and the other groups, I know in graduate business school one of the things they talked about was the famous Westinghouse study, that when you put somebody under a study, the benefits go up. I think when they raised the lighting, they went up. When they lowered the lighting, they went up again. They raised it, and they went up more.

Is that a problem in any of these kinds of studies?

Mr. BLOOM. As far as we can tell, evaluations that use control groups and randomly assign people to a program group or a control group are the best way to evaluate social programs like this because they like to tell what would have happened if the program had not existed.

You know, the methodology is not perfect. There may be some effect on the people in the control group because they are part of the study in some cases, but these are very large evaluations with large numbers of people, and as far as we can tell, they are the best way to evaluate social programs.

Mr. SOUDER. How much of the effect do you think is merely that many of these kids do not have the personal attention and are hurting, and anybody paying attention to them has some impact? Is that a factor, but not a major factor?

Mr. BLOOM. I think that some of the programs that have been successful, one of the reason they have been successful is that young people have contact with responsible adults who can guide them and help them make choices. You heard about some of that this morning.

I do not think that is the only thing in programs. I mean CET does a lot more than that, but that is one of the things that CET does.

Mr. **SOUDER**. In his testimony, he showed or said there was such a dramatic difference between their program and the average income was $6,700 higher per year versus $214 in other programs. Were there other programs that approximated that percentage or was that one so much more extraordinary than the whole universe?

Mr. **BLOOM**. In the Job Start evaluation, which he was talking about which MDRC did, CET really stood out. The overall results of the Job Start evaluation were somewhat discouraging, and there were a number of sites in the project. CET's results really stood out quite dramatically.

Mr. **SOUDER**. Is any of that due to the market areas they are in? Are the control groups in the same market area?

Mr. **BLOOM**. Yes. These are not sort of like comparing, you know, one area with another. The random assignment is actually done among people who apply to get into the CET program. Some are in the control group and some are not.

Mr. **SOUDER**. What did you see as the most dramatic thing that made the difference between their program and others?

Mr. **BLOOM**. You know, it is always hard to pinpoint one thing. I think it is a combination of the things that Mr. Tershy was talking about, you know: very strong links to the employer community in the area; the hands-on training; the linking of academic and job skills training. All of those things put together probably make a difference.

You know, we will see right now, as he discussed, there is an effort to replicate CET in several places around the country, and we will be able to see whether you can replicate this model and whether the other programs will achieve the same kind of success that the parent has achieved.

Mr. **SOUDER**. Mr. Tershy, may I ask you a few questions?

Mr. **TERSHY**. Sure.

Mr. **SOUDER**. One of the things, did you build this company up yourself in the beginning?

Mr. **TERSHY**. I was the original president of the corporation, yes.

Mr. **SOUDER**. One of the most striking things I have seen as I have looked at different types of programs, not just in job training, but in others, is that the driving commitment of the individual. When Mr. Guzman was talking, you became very choked up and very emotional during that period. Clearly, you have a very intense interest.

Do you look for that in the staff people? When you set up these programs in other places, is that one of the things you look for in people that make a difference in your program, do you think?

Mr. **TERSHY**. Yes, and I would like to comment that Mr. Guzman is not atypical. This is typically through our people because we do not cream. We do not pre-test. We just let everybody in, and we individualize. Some trainees may take six months. He took around seven months. Others can take nine months, and it is very individualized.

The staff, first of all, we hire staff right out of industry, and our staff are role models. We have a strong element of minority staff, as well as we have a mixture of white, African American, Latino. In California it is mostly Latino. In the East Coast where we are starting all of these programs, in most areas we have African American staff as role models.

So role modeling is very important to us, but the instructors we hire have to be high technically competent. So we get them right out of industry, and they have an average of 10 or 15 years of high level technical expertise, and that is a very important consideration because we are training for industry, and our instructors are called instructor-counselors. They are with the students for the whole 35 hours a week, and it is team teaching, and then we have crisis intervention counselors, and we have job developers.

So from the initial time that a student comes in, they get their hands on a machine, and when you get your hands on a machine, you can see a straight path to a job, and then if you succeed on the first day, that is worth more than a dozen abstract sessions on image building or self-esteem. You automatically build your self-esteem by success.

So 70 percent of our training is hands on, and 30 percent is the other. We teach life skills, human development, parenting, leadership, but the significant thing is it is highly individualized. It is an individualized training plan for each student, and the instructor works with the student, talks to them individually every week. They chart their progress together.

Mr. Guzman was telling us last night how great his instructor was in his life in influencing him on the drug situation. In fact, she is here with him now, today, and she was describing to me all of her students.

And we do peer teaching. Mr. Guzman helped a 50 year old man in peer teaching how to understand the CAD drafting, and so we try to develop a community, and if you can really develop a community in the classroom, it is important.

The other factor that is very invigorating is that every week we bring in new students to fill vacant slots, and every week they are placing people leaving the classroom and saying goodbye to their classmates. So that is an energy type of thing which keeps people going.

Mr. SOUDER. Thank you.

I would like to at some point get some more information on your program and learn more about it.

Mr. TERSHY. We have information packets that we will pass out to everybody where you can get a detailed reading of it, and you are invited to visit us and tour us. We would like that.

Chairman MCKEON. Thank you.

Mr. Roemer.

Mr. ROEMER. Thank you.

Mr. Guzman, did you want to reply to Mr. Souder's last question? I saw your hand up in the air.

Mr. GUZMAN. Yes. I would like to personally thank my instructor, Rita Gomez, who is here, right there. She really made a part of my life. She is a real good friend of mine, and I think that is the kind of staff I would like to work with later on. So I just wanted to take this opportunity and thank her for everything she has done.

Mr. ROEMER. Do you think you would want to work in a place like the Center for Employment Training? What do you want to do now with your life?

Mr. GUZMAN. Well, I see myself as helping people. Really my goal is to be an architect. That is why I continue with the drafting. I have taken it since high school, took Architecture I in school and technical drafting, and I continued with CAD drafting, and now I am a junior draftsman, but, sure, I would like to help people. It would really make me more understanding of life because what it is all about is helping people.

Mr. ROEMER. What do you think you would be doing if you had not run into Mr. Tershy and the Center for Employment Training?

Mr. GUZMAN. You would not like to know. Before what I was doing is just being in the street and you know.

Mr. ROEMER. Well, we are proud of you, Mr. Guzman.

Mr. Tershy, I have a couple of questions for you in terms of how you have worked the Center for Employment Training.

On page 2 of your testimony, you say that over four years of that study, earnings of the Center for Employment Training graduates increased $6,700 per year above the control group average. You then go on to cite a number of reasons for the success of this program.

Two of them that I am particularly interested in are, one, tightly linked with industry in the community and, secondly, links with academic and job skill training. Could you speak specifically to those two concerns and tell me why you are so successful in increasing this per year salary average with those two kinds of tight links?

Mr. TERSHY. Yes. Well, number one, we believe that when we go into skills, we select the technical skill training, that it has to be in demand, and so we research the market very carefully. We then contact industries that are potential employers in that market, and we organize them into a technical advisory committee, and they dictate our curriculum and everything.

Then we have an industrial advisory board constantly advising us. Industry likes that because we are giving them trained people for their skills, and these skills are more or less in short supply for them. So what we do is go into skills which are in demand, and we will go out of skills if they become obsolete.

Industry also tells us what kind of equipment we need, and we keep our equipment current, and it emulates industry.

Mr. ROEMER. Let me ask you a specific question, Mr. Tershy. For example, shipping and receiving.

Mr. TERSHY. Yes.

Mr. ROEMER. You would have a separate council for shipping and receiving that would design your curriculum for everything from the math and the computer literacy to the tools?

Mr. TERSHY. That is correct. That is correct, and in shipping and receiving, we have trained that skill for many years, and we have to keep updating it. Now it is all computerized. Before it used to not be computerized, and so we bring in the computers, and we get the advice from industry, and our instructors are right from industry, and our instructors go back into industry with industry to keep current.

Mr. ROEMER. So the link to industry is not only very, very tight in terms of involvement in the council and the committees and designing the curriculum. They help, in fact, teach then the basic curriculum that you put together. Do you have internships and apprenticeship programs, too, to tighten the link?

Mr. TERSHY. Well, yes, we have industry volunteers who do mock interviews, employment interviews. They come in and speak in the classroom and tell the students about the work ethic and the disciplines. We have time clocks. We simulate industry. You punch a time clock.

If you come and visit our program, you will see our students are working, and we believe in discipline, all of the disciplines of industry. So it is not just teaching. It is also living and conditioning for industry.

Mr. ROEMER. Let me ask you another question.

Mr. TERSHY. Could I just add one other thing?

Mr. ROEMER. Sure.

Mr. TERSHY. We will not go into demand skills that pay low wages. Our skills are selected on the basis of their entry level way and career ladder. What we have as a bottom line is we are not going to train people to compete with the wages a welfare recipient gets or a person gets who is below the poverty guideline. So we are always looking at skills where we can start placing people at $7.50 or $8 an hour or more.

Mr. ROEMER. And that is everybody that comes through your organization?

Mr. TERSHY. That is right. Based on the local community and the cost of living, we set up a standard of what we want to place people at and the type of skills we go into.

Mr. ROEMER. Let me ask you a question about that, Mr. Tershy, because my time is limited here. You just alluded to creaming. Some organizations have been criticized for getting the cream of the crop. You told us that you accept everybody through the program.

How would you suggest that we structure the performance standards in a block grant so that we do not have creaming take place?

Mr. TERSHY. I would suggest that, and this may be sort of radical. Can I be radical about it?

Mr. ROEMER. We are looking for radical.

Mr. TERSHY. Okay. I would suggest that you preclude or you force everything to take people as they are and get rid of all of the diagnostic testing and everything else and letting the customer, if you will, the student, choose which skill they want, and then start training them in earnest.

I think that the other comment I would like to make is that I think it is much more cost effective to train the hard to serve and the at risk. Sometimes we tend to test people and they have to have a certain reading level before they can go into a skill, and this and that, and so by the time they select a skill, they select something that is not very high paying, and I think that what we need to do is if we do have one-stop centers, they should be information centers, and they should not be diagnostic centers, but information and referral centers.

I think that the JTPA amendments recognize our type of program and recognize that it is more cost effective to train the at risk, the hard to serve than it is to train the cream because when you over-cream, some of the people can find the way by themselves, you know, if they have got an education.

Mr. ROEMER. Thank you.

And, Mr. Guzman, I hope we see you back in Mr. Tershy's Director shoes in about 10 years. Thank you.

Mr. TERSHY. It is a good suggestion.

Chairman MCKEON. Mr. Green.

Mr. GREEN. Thank you, Mr. Chairman.

It is good to hear from people and read the testimony from people who are from different parts of the country because I am involved in work with our Houston Works Program in Houston on the Private Industry Council. In fact, they were here last week for a conference, but I work with them on a daily basis because of the nature of the district I represent. In inner city Houston, job training and education are the number one issue because the average wealth of the district is $20,000. The median income is $20,000 a year, and so we are looking for ways to get people the opportunity to increase their standard of living.

And I notice in San Diego the example is the one-stop center, and we just opened our one-stop center in Houston, without necessarily Federal designation, but it was a cooperative effort between our Private Industry Council, Houston Works, Houston Community College, and also our Texas Employment Commission, and we brought in other providers, for example, that were there.

I agree with what Mr. Tershy said. It could be a referral, but it also could be an evaluation because, again, we do not want someone to have to go across town if they can be served in that one location.

Let me ask a few questions because one of the frustrations I guess I am having is that we want to combine and consolidate, and I think on this committee, whether you are Democrat or Republican, we agree we need to go in that direction because we are talking about serving the people who need it, but I also see in some of the rescissions we are seeing coming down and also I would like to hear in San Diego, for example, in the Summer Jobs Program on how you have utilized that funding and if your Private Industry Council is the one that does that for the Summer Youth Program, even though it is a six-weeks program and temporary job places, I have found some success in the last year particularly when it is structured, and I have watched those young people. Sometimes that is the first job they have had other than working for an uncle or something. They showed up at eight in the morning five days a week, and even though it was only for six weeks and I would have preferred it to have been a couple of weeks longer during the summer, but if you could just address that and how in San Diego you have worked with the Summer Jobs Program.

Ms. PATRICK. I had mentioned earlier that our Summer Jobs Program is tied to our year round efforts. So a young person that goes through school-to-career during the year gets first priority for our Summer Jobs Program, and we have extended the length of time. Our Private Industry Council made a deliberate decision that we would expand the length of time to eight weeks for our Summer Jobs Program.

Mr. GREEN. Where did you get your funding for that extra two weeks?

Ms. PATRICK. We serve about 10,000 kids in our Summer Jobs Program, and it is a combined project, partnership project, with the Employment Development Department. So together we do this, and we basically decided that even though we may serve a few less young people, the young people and the employer said that six weeks was just not quite long enough and that eight weeks they really needed. You know, it is a couple of weeks just to get your feet settled, and so that was the decision that our Private Industry Council made, that they wanted to have a longer period of time.

Now, if young people only want to go six weeks, they can do that, but the maximum amount of time is eight weeks.

I had mentioned earlier that our Summer Jobs Program is, like I said, 7,000 young people coordinated as a joint project with our Employment Development Department, and our school districts also participate in making sure that we identify young people early enough and that we have a way of counseling them while they are in the program. It is not just a summer job. They get additional training, and we also do a lot of work with summer school and remediation, where they go to summer school part of the time and they work the other four hours of the day.

Mr. GREEN. I know you work with your school district, and we do that, too. Have you ever looked at how many actual private employers you have as a part of that compared to public employers, for example, the school district and the Federal Government?

Ms. PATRICK. Yes. Last year out of the 6,700 young people that we put into jobs, approximately 2,500 were in private sector jobs. So almost a third or a fourth. This year we are going to make a getter effort to.

In our program, we have done that for years. We have included the private sector for years through our partnership with the Employment Development Department. So we will continue to push for that.

Mr. GREEN. If there was a rescission now, are you actually interviewing children rather than young people right now?

Ms. PATRICK. We are. Our contracts were actually approved at our February Private Industry Council meeting. One of the things that our contractors and the schools continually tell us is we have to start earlier. You have to get to the kids earlier or else by the time of summer, it is hard to get in touch with them.

So we have actually started to identify young people already through the schools.

Mr. GREEN. I know the President wants to talk to you, and I would like to hear it because I know you are involved just like I am. The planner in Houston has given a lot of his time to do the same thing.

A couple of years ago my experience with the Summer Jobs Program was that we got the funding so late, and it was almost like in early June or something, and we were so late in Houston, and I am worried that unless we can go forward now, and depending on what happens we may end up and that is not as cost effective as it is in planning in February and March if it is all of a sudden in June that you find you have funding for it.

Ms. PATRICK. Right. We experienced that same dilemma, but fortunately we were able to gear up. We had a very good program that year, but our contractor and our Private Industry Council is concerned that if we do not know something soon, the contractors are not going to do anything. The schools are not going to do anything because they cannot incur the cost right now. So we are just kind of waiting.

I was answering the phone late night before last, and kids were already calling for their summer jobs.

Mr. GREEN. Thank you.

Mr. DERROUGH. I would just like to emphasize that the effort that we are talking about here today, it seems to me, is getting this process into the public school system as much as is possible and marrying that with the business community because, while I applaud and think what we have heard from CET is wonderful and I think it is because it is necessary; it is unfortunate that it is as necessary as it is and that we do not do that sooner, that we do not get kids at the seventh, eighth, ninth grade where they feel they have meaningful opportunities to do these things, where the business community has been involved with the schools, where there is truly a marriage of the interests involved in training kids while they are still in school and do not have to be trained after they are out of school.

I think that is possible if we marry the combined interests that are all at work here, and I think that that is really the change that we are trying to talk to at this point, which is: how do you get this to the youngster when they are young enough that they feel there is still a chance? And that is by marrying the educational system, the business community, the labor, and putting all of them into the same room and letting them work together to work this out as soon as it is possible so that we do not have to do it when the person is 18, 19 years old.

Mr. GREEN. We heard from a panel earlier this week that even talked about earlier than the ninth grade.

Mr. DERROUGH. Oh, absolutely. I think that the ninth grade is better than the 10th or the 11th grade, but there are examples that if you get young people in the work place at sixth and seventh grades, it gives them incentives to go on where they can see what they are really touching is going to lead to something, that their school means something, just as it does when a child or a person is 18 years old. It certainly can mean the same thing at, you know, the seventh and eighth grade, and at that point the money is already being spent in the school. Why not spend that money in a more productive way? And that means changing curriculum, changing ways we have done things, getting business truly involved, not just field trips, as I said earlier.

It is a complex organization that needs to take place, but I think it is essential to turning the point because we cannot continue to, I think, fuel training systems after the fact. Why not train them while kids are in school when they should be trained?

Mr. GREEN. And again, I was here for part of Mr. Guzman's testimony, and the problem that we often have is once that child gets in Texas 17 years old, they drop out and they are gone.

Mr. DERROUGH. Right.

Mr. **GREEN**. And if we could get them at 13 to maybe have that work experience and that success.

Mr. **DERROUGH**. I think it is Fort Worth that the school district there has been very successful at doing it, and they are talking sixth, seventh grade, and truly making revolutionary change because they are getting into it so young. So the younger the better, and as I say, you have to involve the employer to make that happen because it does not happen without the employer.

Ms. **PATRICK**. I would just like if it is okay to say that in the three years that we have been working on School-to-Career in San Diego, the Private Industry Council has taken the position as the connector between the school and the employer community to insure that it is not just all the educators, and the teachers and the educators have their hands full with getting kids to come to school, you know, and curriculum and that kind of thing.

So we have played the role of working with the businesses, doing the outreach, developing the job shadowing and the internship agreements and all of that. So there really is a partnership in San Diego and in other areas around the country to insure that that happens successfully.

And, again, the Summer Jobs Program is a piece of that continuum of services for the young people.

Mr. **GREEN**. Thank you.

Thank you, Mr. Chairman.

Chairman **MCKEON**. Mr. Reed.

Mr. **REED**. Thank you, Mr. Chairman.

I first want to commend you all for the remarkable work you are doing, particularly Mr. Guzman for your significant achievement, and keep it up, please.

I want to just follow up on, I think, a theme that my colleague, Mr. Green, has developed, and that is the interrelationship between the formal school systems in the communities and the efforts that you are doing now to give people a real exposure to work, an incentive to work, and the skills to work, and it seems to me that one of our failings, and Mr. Tershy's efforts are sort of trying to redeem, I think, some failed hopes in the school system.

Mr. **TERSHY**. Right.

Mr. **REED**. Because when you get youngsters that are coming to you, they have already been through 11 and 12 years of school.

I ask the question, and I do not have the answer myself, but why aren't the school systems able to do what you are doing in terms of challenging young people with real life experiences early on, sixth, seventh, eighth grade, fifth grade, fourth grade even, so that by the time they get out of the 12th grade, I do not want to put you out of business, but it might be that you will not be as critically needed as you are today.

Thank God you are there, by the way, and I just wondered if there are any comments that the panel might have along those lines. Mr. Derrough.

Mr. **DERROUGH**. I just have a quick comment. School districts until recently have not really thought this way. Change is very difficult with established practice within school districts. It is now because, I think, in San Diego in particular, where we can speak specifically, the private industry's business driven incentive to get the schools involved, to put them in the room and to make sure that they are action oriented and result oriented, that the school districts are really beginning to understand what this means, and that means getting to the teaching level. It is a commitment to get the teacher into the work place, as well as the principal and everyone else, and that is a major commitment on the part of the school district.

That has to start at the superintendent level, and there has to be a lot of disciples out there in the business community saying we are there to try to help you with this process if you will commit the energy to do it.

So I do not think it has been unwillingness. It is, as Brene says, school districts are very busy, and they have not thought this way until the recent past.

Mr. REED. Mr. Guzman.

Mr. GUZMAN. Yes, I would like to make a comment. In high school, I found myself fond of opportunities that I could not have. So I had to go look for it myself, and for others kids, I do not think they get an opportunity to meet up with their interests. So I think the whole key here is matching these kids with their interests, and that will take them further on because most of us who are late of classes, you know, they just throw classes at us that we do not even know about.

For myself, you know, fortunately I took the time to go look for the classes I wanted, you know. So I think the whole key here is matching kids with their interest, and maybe from there they will take it further on.

Mr. REED. Thank you.

Mr. Tershy and then Ms. Patrick, or whatever.

Mr. TERSHY. That is a really $64,000 question which I have been pondering for the last 35 years. I do not want to give my age, but at any rate, I think that the difference is bureaucracy and process that is heavily laden in a traditional educational model. I think it is also the sequential model of you have to have a prerequisite to study this and a prerequisite for that. It is not holistic.

You know, I am wondering, and I am putting in sort of a commercial here, that school-to-work, as you know, in the East Side Union School District that Mr. Guzman comes from, we have counselors sending them to CET, even advising some students to drop out to go to CET. My question is I know that the school-to-work has just got industry, but programs like ours that do hard skill training should also be included in the school-to-work because we simulate industry. We have time clock machines, and we can do a more organized training than industry can do, and I can bring industry people to tell you that.

Industry people will tell you that they are good at training after a certain level of the student, but for the students that we train, it is hard for them to cope with, and I think we have got to be realistic.

I would like to say, too, that I am for the Summer Youth Program, but I have a thought. I have always had a thought that I would rather get these kids into our skill training every year and maybe have them one day a week through the rest of the year, but there are all kinds of models, and I cannot understand for Mr.

Guzman, for example, and the kids that are dropouts and come to our program, why the schools cannot give them high school credits and let them graduate at our place because we do some very strong training.

If legislation can be adopted to encourage this, because I think the school system in San Jose wants to do this, but then they say where is the funding, where is the money, and where is all of this process; so I think that these are ideas I would just like to put out.

Mr. REED. Thank you very much.

Ms. Patrick.

Ms. PATRICK. Yes, I just want to address the question, too, and again, working with the school-to-career, we have in-school and out-of-school programs, and what we have done in San Diego is develop the same model for both in-school and out-of-school programs.

And when I say model, I do not mean that we do not individually address the needs of the student, but they all get certain baseline things that we think all young people need.

But part of the problem has been that schools did not see their job as educating a future work force. I have had educators tell me that that is not their job. Their job is to prepare young people for college or to prepare young people to be informed citizens, but not to prepare them for work, and I think the whole school-to-career initiative has awakened the education community that if they do not do it, who will, and I know that that has happened in San Diego.

But we continue to need programs like CET, but what we have done in San Diego, again, is we have set up our models so that a young person, if they come out of the school system and happen to need additional training, they go into our job training program that has the same quality and the same baseline of program activities.

Mr. REED. Thank you.

Mr. Derrough.

Mr. DERROUGH. A final comment. I have a sister that is a high school teacher in Northern California. She is a special education teacher, and she has tried for a long while to try to bring the work place and schools together and has met resistance at her school because it is not understood.

It is just now that the school-to-work proposition is beginning to surface and make some sense and is being discussed at the senior levels of the high school and the superintendent that she is beginning to have some headway. So you can see real, real effort, I think, is being made and strides are being made in getting it to the teacher level, and that is clearly what has to happen.

But before that happens, it happens at the superintendent level, and that is what I think PIC and the organizations we are talking about can do, is to get the attention that this is a has to be situation.

Mr. REED. Thank you all very much.

I think, if I might just make a quick point maybe following a thought that Ms. Patrick gave to me, I think every child has a talent. I think what the schools and the job training organization have to have as an affirmative mission is to find that talent in a child and give expression to the talent, and that is probably a better mission than prepare for college or prepare for citizens because there are a lot of young people that just miss out. Their talent is never discovered, and they are not allowed to act on that talent.

I thank the Chairman for this hearing. Thank you.

Chairman McKEON. I have several short questions. I will try to ask them briefly, and if you can make your answers concise, we will get through all of them.

Mr. Bloom, you said that we should build on strong programs like CET and get rid of programs that do not work. Do you have any suggestion on programs that we should be getting rid of?

Mr. BLOOM. I think the trick is, on the one hand, it is a good idea to have more flexibility so that people can structure or tailor models to their local environment, but what you do not want to do is create a system that assumes that we know nothing about what works.

And my point was that we do have some information about what works and that the system should be structured to give States and local program operators incentives to adopt those models, and that is really the point I was making.

You know, there are some risks with unrestricted flexibility, that people will do things that research has shown to be ineffective. For example, because they may be able to produce good outcomes, you know, they may be able to put a lot of people in jobs, but as we have heard before, that is not necessarily the only measure of a program's success. They may be creaming, as we discussed.

So that is really what I was getting at. It is just that there should be incentives for States and localities to adopt proven models.

Chairman McKEON. Thank you.

Mr. Derrough, you have talked about putting sixth, seventh, and eighth graders to work. How do we do that?

Mr. DERROUGH. Well, I think again you look at successful models, and we know, as I mentioned, that it has worked in Houston and worked in the Texas area, in the Fort Worth area. You take a look at that and you find it and you visit it and you bring it back to your district.

We did that in San Diego. We had that superintendent come to our community, talk to our superintendent of schools, talk to a symposium that we put together, that the PIC put together, and we opened real dialogue about that it is not just your seniors or your higher level high school student; that it is the seventh and eighth grade that you start thinking about that.

That is a slow procedure, but you clearly have to set examples in front of the school districts or it will not be done.

Chairman McKEON. Do you just have them work a couple hours a day or something?

Ms. PATRICK. They are not there on the job or they do not work. They are on the job observing and shadowing a worker.

Mr. DERROUGH. But they are doing it more than just a day or so. They are there for an extended period of time.

Chairman McKEON. But there are laws against having young people. So that is what my concern was.

Ms. PATRICK. Yes, but they are not producing products.

Chairman McKEON. Ms. Patrick, you said you have automatic databases at all of your schools. That is all of the schools that are involved in the programs, and you evaluate those programs every year?

Ms. PATRICK. Yes, we do. In our school-to-career, we are currently working with 20 schools, and so those schools, and there are others that have our automated database, but right now we are concentrating our efforts on the 20 schools because that was what we received the initial implementation grant. So, we are starting with those 20 schools.

Chairman MCKEON. And then you have software in the schools and computers where the young people can go in and sit down to help match up their interests as Mr. Guzman was saying?

Ms. PATRICK. Yes, right.

Chairman MCKEON. You have talked of the importance of close linkages with employers in the design and implementation of the programs that are serving you. Can you provide us with some insight on how we could build incentives in our legislation that will encourage the full participation of employers in programs serving youth?

Ms. PATRICK. I hope I am not dominating here, but I have spent a lot of time on this in the last three years. One of the things that people have talked about are tax credits for employers to have young people for internships.

Another thing that has been talked about is a lower wage for interns, where it is not the minimum wage, but it is a lower wage, a student wage. That is a thing that many people have said is good to have.

But in talking to employers, not to say those things are not necessary, certainly they are necessary, and JTPA actually allows us now and one of the things that came out of the amendments is to allow us to do internships in the private sector, limited internships.

But most of the employers that we talk to and deal with are willing to participate without a lot of strings attached, as long as you know exactly what you want them to do, as long as you provide them with the specific outcomes they can expect to see from it, and as long as the institution that is coordinating it does not have a lot of bureaucracy, does not have a lot of red tape, a whole lot of forms that they have to fill out.

We have not met with much resistance from employers to participate in our school-to-career efforts.

Chairman MCKEON. Everybody talks about how we should have measurement standards, some kind of way to judge how these programs are working. Do you have any specific ideas on those or on how we can do that?

Mr. Bloom?

Mr. BLOOM. Well, the thing I would say is that we should be careful that outcome standards like job placement rates are not the only thing that drive programs because, you know, it has been shown several times through research where you use a control group that what you are finding through outcome standards is not necessarily a good measure of the effectiveness of the program.

So while those things are very important, and you want to make sure that funds are spent and are accountable, and so forth, you have to be very careful not to create a system where that is the only thing driving what people are doing. That is what I would say.

Ms. PATRICK. I think the competency based system where you test young people when they come in and you test them when they go out, you have measures of how much gain they are supposed to make while they are in the program; I think that is really the key thing. If you put an outcome on like a 26-week follow-up or something like that, it is helpful. It is costly to do that. I would say spend the money on having a competency based system that measures how much a young person learns while they are in the program.

Chairman MCKEON. That is a little different than what Mr. Tershy said. He said start training them right away. When you bring them in and put them right on a machine, how do you decide what machine to put them on?

Mr. TERSHY. A very simple process, very scientific, Mr. Chairperson.

Chairman MCKEON. Whatever is available?

Mr. TERSHY. We tour the applicants, the prospective trainees; we tour them and show them every single skill. We give them a chance to talk to the instructors, the students. We then give them an orientation, and then we do the scientific approach by what would you like to do and let them select, and they select the skill, and then we say: now, look. You can try out this skill, and if you want, you can try out more skills, and some try out two or three skills and some are satisfied that come in.

So we feel that if the customer, the student, really wants this skill and makes the decision for it, that is tantamount to success because he is going to try to validate his choice.

Now, that is very simplistic for some people, but it works.

Ms. PATRICK. I do not disagree with that. I think to find the young person's interest is absolutely critical, but I know what has happened with us when we work with 14 and 15 year olds to start them off. They have no clue as to what their interests are. So what we do through our assessment is it is not just a paper and pencil testing. It is discussions; it is labor market information; it is a variety of activities before, and it is engaging activities that help them, kind of gear them toward what is it you like to do. Do you like to be inside or outside?

So it is along the same lines, but we just do it in a little different way. The only way to know if they gain something is to know what they knew when they came in.

Chairman MCKEON. You are talking about 14 and 15 year olds.

Ms. PATRICK. Yes.

Chairman MCKEON. And they are still involved in school and still in the program, and, Mr. Tershy, you are talking about different students.

Mr. TERSHY. I am talking about 17 year olds.

Chairman MCKEON. Kids who have fallen through the cracks or are out of the program.

Mr. TERSHY. Yes. I am talking about 17 and up, and for our population and for our program, we do believe in outcomes. These are the outcomes that we believe in that should be measured for every program. We believe in outcomes of placement. We believe in outcomes of entry wage levels for the placement to make sure that you are not training people for skills that they do not really need training for, low wages. And we believe in work retention.

I mean those are three simple outcomes that we believe in, that we live by, and so we do believe in those outcomes for our type of program. I am not mentioning the other programs, but just for our type of program.

But I would like to add, Mr. Chairman, that I think when we talk about should the schools be able to do this, yes, they should, but the reality of it is that I think that the country right now needs alternative systems, alternative community school systems, such as the Center for Employment Training and other programs I know of, and I think that there should be a link between the schools and these alternative community programs because the schools will have a very difficult time to replicate this in any shorter period of time, and that is the only point I want to make.

Chairman McKEON. Thank you very much. We really appreciate your coming here and your participation this morning. We have another panel that we will be going to now, but thank you and keep up the good work. You are all working hard in your areas.

Okay. We have on our next panel Mayor Johnson from Rochester, New York, who is caught up in the traffic somewhere in a plane; Ms. Cindy Dotson; and Mr. Lester Westry.

We have the Chairman of our full committee here, Mr. Goodling from Pennsylvania. Would you like to introduce your constituents?

Chairman GOODLING. Well, I think you will find the story they both have to tell a very interesting and rewarding one. I visited their project on a couple of occasions, visited the schooling that they were receiving in the summer on the job while others are in school. I also visited the work site. The first time I visited it I was not sure I wanted to go in. They have taken probably one of the worst buildings in the City of York, and they are doing wonderful things in remodeling that building.

The second time I went back to the project, I felt much more secure because they had done quite a job during that particular time. So I am just here to welcome them, and I am sure you will enjoy hearing the story that they have to tell about a program that is working very, very well.

Chairman McKEON. Okay. Then we have Ms. Cindy Dotson, who is Director of Crispus.

Ms. DOTSON. Attucks YouthBuild Program, yes, sir.

Chairman McKEON. Attucks YouthBuild Program from York, Pennsylvania.

Chairman GOODLING. I might say that I thought every city had a Crispus Attucks. I did not realize that we are the fortunate one because I just assumed everybody had one, but they have just a magnificent program, rehabilitation homes. They have early childhood education. They have, as I have mentioned, I think, once before, a creed that the little youngsters say over and over and over and over again. They will not be denied. They will succeed, and so on. But it is a wonderful operation under an outstanding director.

Chairman McKEON. Ms. Dotson.

STATEMENT OF CINDY DOTSON, DIRECTOR, CRISPUS ATTUCKS YOUTHBUILD PROGRAM

Ms. DOTSON. Thank you.

As Mr. Goodling stated, I am the Director of the Crispus Attucks YouthBuild Program located in York, Pennsylvania. I am here to talk about what makes our YouthBuild Program so successful.

The YouthBuild Program is a 12-month academic and training program which allows young people the opportunity to apply what they have learned in the classroom to the work site the very next week. YouthBuild students—excuse me. I am kind of confused here. I just need to gain my thoughts here for a second.

Okay. YouthBuild students spend one week in the classroom working towards obtaining their GEDs and spending the other week working on the construction site. This allows the young people to apply what they have learned in the classroom to the work site the very next week.

I often heard comments from traditional high school students stating: why do I need to learn this? What does this have to do with getting a real job?

For YouthBuild students who are spending time in the classroom learning how to read a tape measure or figuring out the square footage on a math program clearly understand the importance of education and how it applies to the real world.

As YouthBuild students obtain their GEDs, they work as interns with local contractors to gain hands-on experience and further their vocational education. Crispus Attucks YouthBuild Program is pleased to report that we have maintained 95 percent attendance and 85 percent retention.

The YouthBuild Program clearly demonstrates a profound respect for the opinions and positive actions of our youth. To assure their opinions are heard and acted upon, the YouthBuild Program has created a program policy committee. This policy committee is comprised of young leaders who are nominated by their peers to represent their best interests.

The policy committee meets weekly with the director to discuss a variety of issues to improve the program.

At this time I would like to take the opportunity to talk about the president of our policy committee, Kevin Richardson. Kevin Richardson was nominated as president because he was a leader, a born leader, a natural leader. However, Kevin was a negative leader in the community. Kevin was one of York City's biggest crack dealers. Kevin had lots of money, and whenever students needed money, Kevin was there to give it to them.

Kevin realized that as president of the policy committee, he needed to make some positive changes in his life. The first day Kevin spoke before his peers as president of the policy committee, Kevin made these following statements:

All of you know my hands are dirty, but when I get home tonight, I am going to wash my hands clean. If you want to follow a leader, you can follow in my footsteps.

And Kevin is a prime example of many young people who are negative leaders in their community who just need an opportunity to become positive leaders.

YouthBuild students are not only committed to improving their lives, but they are committed to rebuilding their communities in the process. One block north from Congressman Bill Goodling's office is that abandoned building, which was occupied by crack dealers. YouthBuild students took this opportunity to gut and rehabilitate this building for the York City Police Department, which is now being used as a community outpost station.

One block away from this location, the YouthBuild students are currently working on a building that sat vacant for 20 years. This building was one of York City's worst eyesores and sat on a very highly trafficked corner in York City. When this building is completed, the students will have rehabbed an abandoned building and provided eight low income housing units for the homeless, as well as provide commercial space.

The YouthBuild students also continue their community service efforts by volunteering for local nonprofit organizations, homeless shelters, libraries, churches, and local churches.

YouthBuild programs across the country do not just operate as a program. We operate as a team and as a family. It is not unusual for staff to take a student home because their mother has sold their food stamp money for drugs or for a staff's phone to ring at one o'clock at night because they need a ride to the hospital because their child has taken ill.

For YouthBuild students, YouthBuild is the only family that they have ever known or who they can count on. Hiring a caring and committed staff is essential for any youth program to succeed. As a mother of three biological children, I have also adopted 27 children. These children are all my students.

When YouthBuild students graduate in September, it is going to be a very proud moment for York City and the YouthBuild staff. Every student is special in their own way, and they have enriched our lives and many others' as well.

Thank you.

Chairman McKEON. Thank you very much.

Mr. Westry, you are a student from this program?

STATEMENT OF LESTER WESTRY, CRISPUS ATTUCKS YOUTHBUILD PROGRAM

Mr. WESTRY. Yes. Hi. My name is Lester Westry. I am 21 years old. I make my home in York, Pennsylvania, and I am a member of the Crispus Attucks YouthBuild Station in York.

I am here today to speak on the importance of the YouthBuild Program in our city and how important it is to the families and the youth there. Before me I have a few notes of focus that I wanted to get across in my brief testimony.

I will start by saying I come from a single parent home, and with three brothers and sisters, it was kind of hard with one income to take care of a family of five. So the opportunities were minute, if any.

After completing high school and receiving my diploma, I always wondered what could I do to make the double digit salaries, the $12 an hour, the $15 an hour, and so I decided to just get a few jobs, and for years I worked dead-end jobs, and I realized that there is no way I could pay for any trade school or college with any of these jobs.

Then a friend of mine told me about YouthBuild. My prayers were answered. This was a chance to get job skills, leadership training, be part of a growing family all over America. It was just a great feeling. I went home raving for weeks. They supported me cheerfully and everything just went great.

Upon entering the YouthBuild Program, I was greeted with more or less a family atmosphere, and this family had the same goals I did in mine: education and job training. Throughout the course of YouthBuild, we then were halfway through the program, six months into the program and we have another six months to go, and so far they more or less emphasize the dedication, commitment, honesty, loyalty is everything that an employer is looking for, both the major and some of the small business companies are looking for, especially the dedication part.

YouthBuild has helped me a lot. I have been involved with the internship which is teaching me plumbing skills. There are no limits to what I can learn.

Some who come into YouthBuild from broken homes, you know, this has been their family; this has been their support, and a lot of people I know come from broken homes, and it surprised me because for some all that was needed was a little support and a helping hand, and they wanted to make the change for a better life.

And me being a tutor, helping out the staff, it just seems as though some people I would never have even thought of getting a job and working and doing everything the legal way, you know, are willing to come and ask me, you know, how do I do this. I want to get my GED. Tell me about algebra. Tell me how can I learn to read without messing up and getting confused. So that was a great opportunity for me and I am sure for the staff, too.

Another subject I wanted to touch on is what is being done in York County. Cindy has touched on a few things like the building, and I just want to elaborate on that. You know, this building that we are rehabbing is in the center of downtown York, and it would be a disgrace to have the downtown city to waste life and retire there.

At the same time that we are rebuilding the city, we are also rebuilding the youth and the families who live there. I can say for myself that YouthBuild has been more or less a second family. We go there and they are interested in what is going on after work, as well as during work. That is a great feeling to know that, you know, they care enough to ask you what are you doing when you are going home because there is no need in going home and getting yourself in trouble when you have got us to help out, and there are a lot of people who use a lot of this YouthBuild as a cop-out, you know, whether it is from probation or law enforcement or just drug abuse. It has just been a cop-out for them, and I guess I am here today to emphasize the importance and the significant changes I have seen in our community and the people I know and our families within York.

Before I go, I would like to thank you for your time, and I have one finishing statement, and that statement would be that YouthBuild—I worked for two days working on what I could say as an ending statement, and I did not come up with one yet—but I guess I will say that YouthBuild, there are a lot of programs dedicated to rebuilding the communities. YouthBuild is one that dedicates to rebuilding the communities, as well as the youth and the families who live there.

Thank you for your time.

Chairman MCKEON. Thank you very much.

And now we have the Honorable William Johnson, the Mayor of Rochester. We want to thank you for your persistence in not letting the weather keep you away today, and we will turn the time to you now.

STATEMENT OF HON. WILLIAM A. JOHNSON, MAYOR, ROCHESTER, NEW YORK

Mayor JOHNSON. Thank you, Mr. Chairman and Mr. Goodling.

On behalf of the U.S. Conference of Mayors and my counterparts from hundreds of cities across the country, I want to express my sincere appreciation for the opportunity to testify at these subcommittee hearings on youth training programs.

This is a subject that I feel especially competent to address given my long years of professional involvement in this area. Before being elected Mayor of Rochester, I spent 21 years as the CEO of a large human service organization that provided job training programs to youth and adults.

I understand the primary purpose of the hearings is to review which programs are most effective and determine whether these programs can and should be consolidated. If you will permit me, I will address the latter question first.

I fully support the consolidation of the various grant programs to reduce the administrative cost of local governments and to provide them with the flexibility to design local programs based not upon what type of funds are available from Washington, but upon what types of needs exist in the community.

As a group, the U.S. Conference of Mayors also supports consolidation. Indeed, for the past three years, it has formally adopted a policy statement endorsing it.

However, if consolidation takes the form of block grants to States to permit the benefits of efficiency and flexibility to be achieved, there must be some mechanism to insure that the funds are directed towards local governments. There must be a mandate within the legislation for the funds to be passed through the States to municipalities, the actual providers of training services.

The municipalities have convincingly demonstrated their ability to prudently utilize block grants. The success of the Community Development Block Grant Program with this extensive level of citizen participation and the Job Training Partnership Act Program with its committees of business, labor, and educational representatives illustrate the responsiveness of municipalities to community needs.

The future form of the grant program should not be the foremost concern though. The continued existence of these programs should be our primary objective. In a period in which Americans are confronted with increasing economic competition from other nations, it would seem shortsighted to reduce through major decreases in job training programs the ability of American workers to successfully meet this competition. In a period in which Americans are being asked to become less dependent on government, it would seem counterproductive to reduce their ability to become independent.

To be effective and efficient, job training must begin at an early age. Youth must be exposed to the opportunities, expectations, and realities of the job marketplace. For most youth, their initial training and experience begins with summer jobs. While at one time businesses may have been able to provide an adequate number of such jobs, in more recent times the private sector has been unable to meet the increasing demand and need. This is most particularly due to the restructuring and transformation that many businesses have experienced in the past decade. Job opportunities that many private sector employers reserve for youth during after school and summer periods have been downsized out of existence.

For example, in Rochester over the past four years, nearly 4,000 youth have to rely upon the summer jobs provided through federally funded programs as each summer the number of non-Federal jobs dramatically declined. This year an additional 900 youth are hopefully expected to participate in such programs. I say hopefully because I urge you and the other Members of the House to reject the appropriation rescission for the Summer Youth Program that was recently approved by the Appropriations Subcommittee.

Nationwide, this rescission would result in the elimination of summer job opportunities for 615,000 youth, a move that was totally unexpected. As Seattle Mayor Norman Rice recently said, these cuts are reversals of commitments the Federal Government has already made to communities across the country. It is difficult enough, said Mayor Rice, to adapt future cuts and absolutely devastating to absorb retroactive ones.

The reduction would mean that 615,000 youth will not be given a chance to contribute constructively to their communities this summer. The reduction would mean that 615,000 youth will be less prepared to successfully enter the job markets in the future, and this reduction would mean that 615,000 youth would be idle, and that cities would have to figure out a way to deal with that idleness during the summer.

For New York State youth, the proposed reduction in Federal funding comes at a particularly inopportune time. Newly elected Governor George Pataki has proposed a similar reduction in State funding for youth training programs.

The need to maintain government funding for summer jobs is readily recognized by the private sector, which realizes that the need for such jobs continues to exist and that businesses by themselves will continue to be unable to adequately address this need.

Both the Greater Rochester Metro Chamber of Commerce and the Industrial Management Council, an association of large manufacturing and service companies in Rochester, have expressed their serious concern over the proposed elimination of this funding. They realistically know that the private sector will be unable to fill the job gap that would ensue if funding is not maintained. They realistically know that there will be a tax switch if this gap has to be filled through funding by local governments.

In cities across this country, our financial base largely derived from the property tax will not support the level of demand that is being pushed down upon us by Federal, State, and county governments. It is imperative that the Summer Youth Program be preserved.

At the annual convention of the Conference of Mayors in Portland, Oregon, last year, this program received overwhelming support. The assumption was that funding for the program would be maintained at least at the current level of appropriation. The hope was that funding would be increased.

Because of the obvious need for the program and because of its demonstrated effectiveness, no one expected that there would soon be a proposal to totally eliminate funding for summer jobs. Certainly I personally did not anticipate the need to testify today before you to oppose such elimination.

All Americans understand the need to reduce the Federal budget deficit. They understand the need to limit the burden that we impose upon future generations. They support your efforts to reduce the deficit, to eliminate waste and inefficiency, and to eradicate fraud. These goals can be achieved, in my opinion, without crippling or destroying programs that lead to skills training and self-sufficiency.

However, the concern over the future of our youth must be balanced by concern over their present needs. Unless we address these needs today, unless we prepare youth for meaningful employment tomorrow, and in an increasingly demanding marketplace, our youth will have no future at all, and with a poorly trained work force and an increasing underclass population, our country will have no future at all.

Thank you for this opportunity.

[The prepared statement of Mayor Johnson follows:]

STATEMENT OF MAYOR WILLIAM A. JOHNSON, JR.
MAYOR, CITY OF ROCHESTER, NEW YORK
ON BEHALF OF THE U.S. CONFERENCE OF MAYORS
BEFORE
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES
SUBCOMMITTEE ON POST-SECONDARY EDUCATION, TRAINING AND
LIFE-LONG LEARNING
MARCH 7, 1995

Chairman McKeon and other members of the subcommittee, on behalf of the U.S. Conference of Mayors and my counterparts from hundreds of cities across the country, I want to express my sincere appreciation for the opportunity to testify at these subcommittee hearings on youth training programs.

This is a subject that I feel especially competent to address, given my long years of professional involvement in this area. Before being elected Mayor of Rochester, I spent 21 years as the CEO of a large human services organization that provided job training programs to youths and adults.

I understand that the primary purpose of the hearings is to review which programs are most effective and determine whether these programs can and should be consolidated.

If you will permit me, I will address the latter question first. I fully support the consolidation of the various grant programs, to reduce the administrative costs of local governments and to provide them with the flexibility to design local programs based not upon what type of funds are available from Washington but upon what types of needs exist in the community.

As a group, the Conference of Mayors also supports consolidation. Indeed, for the past three years, it has formally adopted a policy statement endorsing it.

However, if consolidation takes the form of block grants to states, to permit the benefits of efficiency and flexibility to be achieved, there must be some mechanism to ensure that the funds are directed towards local governments. There must be a mandate within the legislation for the funds to be passed through the states to municipalities, the actual providers of training services.

Municipalities have convincingly demonstrated their ability to prudently utilize block grants. The success of the Community Development Block Grant program, with its extensive level of citizen participation, and the Job Training Partnership Act program, with its committees of business, labor and educational representatives, illustrate the responsiveness of municipalities to community needs.

The future form of the grant programs should not be the foremost concern, though. The continue existence of the these programs should be our primary objective.

In a period in which Americans are confronted with increasing economic competition from other nations, it would seem shortsighted to reduce, through major decreases in job training programs, the ability of American workers to successfully meet this competition. In a period in which Americans are being asked to become less dependent on government, it would seem counterproductive to reduce their ability to become independent.

To be effective and efficient, job training must begin at an early age. Youth must be exposed to the opportunities, expectations and realities of the job marketplace.

For most youth, their initial training and experience begins with summer jobs. While, at one time, businesses may have been able to provide an adequate number of such jobs, in more recent times, the private sector has been unable to meet the increasing demand and need.

This is most particularly due to the restructuring and transformation that many businesses have experienced in the past decade. Job opportunities that many private sector employees reserved for youth during after-school and summer periods have been "downsized" out of existence.

For example, in Rochester, over the last four years nearly 4,000 youths had to rely upon the summer jobs provided through federally funded programs, as each summer the number of non-federal hobs dramatically declined. This year, an additional 900 youth are --- hopefully --- expected to participate in such programs.

I say hopefully, because I urge you and the other members of the House to reject the the appropriation recision for the summer youth program that was recently approved by the Appropriations Subcommittee. Nationwide, this recision would result in the elimination of summer job opportunities for 615,000 youth, a move that was totally unexpected.

As Seattle Mayor Norman Rice recently said, "these cuts are reversals of commitments the federal government has already made to communities across the country. It is difficult enough to adapt to future cuts, and absolutely devastating to absorb retroactive ones."

The reduction would mean that 615,000 youth will be not be given a chance to contribute constructively to their communities this summer. The reduction would mean that 615,000 youth will be less prepared to successfully enter the job market in the future.

For New York State youth, the proposed reduction in federal funding comes at a particularly inopportune time. Governor George Pataki has proposed a similar reduction in state funding for youth training programs.

The need to maintain government funding for summer jobs is readily recognized by the private sector, which realizes that the need for such jobs continues to exist and that businesses, by themselves, will continue to be unable to adequately address this need. Both the Greater Rochester Metro Chamber of Commerce and the Industrial Management Council, as association of large manufacturing and service companies, have expressed their serious concern over the proposed elimination of federal funding.

They realistically know that the private sector will be unable to fill the "job gap" that would ensue if funding is not maintained. They realistically know that there will be a "tax switch" if this gap has to be filled through funding by local governments. In cities across this country, our financial base — largely derived from the property tax — will not support the level of demand that is being pushed down upon us by federal, state and county governments.

It is imperative that the summer youth job program be preserved. At the annual convention of the Conference of Mayors in Portland, Oregon last year, the program received overwhelming support.

The assumption was that funding for the program would be maintained at least at the current level of appropriations. The hope was that funding would be increased.

Because of the obvious need for the program and because of its demonstrated effectiveness, no one expected that there soon would be a proposal to totally eliminate funding for the program. Certainly, I personally did not anticipate the need to testify today before you to oppose such elimination.

All Americans understand the need to reduce the federal budget deficit. They understand the need to limit the burden that we impose upon future generations.

They support your efforts to reduce the deficit, to eliminate waste and inefficiencies and to eradicate fraud. These goals can be achieved in my opinion, without crippling or destroying programs that lead to skills training and self-sufficiency.

However, the concern over the future of our youth must be balanced by a concern over their present needs. Unless we address these needs today, unless we prepare youths for meaningful employment tomorrow in an increasingly demanding marketplace, our youth will have no future at all. And with a poorly trained workforce — and an increasing underclass population — our country will have no future at all.

Thank you.

BEST COPY AVAILABLE

Chairman MCKEON. Thank you very much.

Mr. Williams.

Mr. WILLIAMS: I would yield to the Chairman.

Chairman MCKEON. Mr. Goodling?

Chairman GOODLING. I just want to point out a couple of things that Lester said, and that is the importance of the family consideration.

They are family. Their teacher, I believe, still probably drives from Wilkes-Barre to York each day. That is, I guess, a three-hour drive one way, I would suppose, pretty close to that I would think, and Cindy and her partner on the job are there as parents, you might say.

And, Lester, I appreciate your testimony because you are on the job, and you see what is happening, and that is very important.

And I would say to the Mayor that we hope the authorizing committees will have an opportunity to make sure that a meat ax approach is not the approach taken to programs under our jurisdiction as an authorizing committee. We will work hard to try to make sure that that does not happen.

Thank you.

Chairman MCKEON. Mr. Williams.

Mr. WILLIAMS: Thank you.

Ms. Dotson, under the youth bill you mentioned three agencies that you get money from. Because you have housing, you mentioned HUD, and the public services gives you MERICOR dollars, and then, of course, the DOL dollars. So it seems to me that those programs are Federal programs that have permitted YouthBuild to become the kind of flexible service oriented effort that it is.

Now, from the public we hear the reverse of that, not about YouthBuild, but about Federal programs, and that is that they are rigid. They do not allow any changes, and yet when we hear testimony here, as we have from both your panel and the last one, the people who testify come to us and say: no, no. It is the public schools that are rigid. It is the State that is rigid.

I sometimes wish all of America could just sit in for a few minutes to listen to what the people who have to work with these programs actually come and tell us, which is very different than the myths, many of which are politically driven, about these Federal programs.

Mayor, you mentioned bypassing the States or at least requiring the States to simply funnel the money to you, and many of us think that perhaps that is a good idea, although I must say the last time we did that in a major way was CETA, and it was scandal ridden when we just directed it right down to the local level. So a lot of people come to us and say do not make that mistake again.

But let's set that aside for a minute. My question to you would be this. If we are simply going to direct the State to send you money, why are we bothering to give it to the State at all?

Mayor JOHNSON. That is a very good question, Congressman.

Mr. WILLIAMS: Well, would you recommend that we bypass the States entirely and just give the money to the local jurisdiction.

Mayor JOHNSON. Let me say, Congressman, that I served for four years as the Chairman of New York State Employment and Training Council under the old CETA Program, and for another six years I served on the State Job Training Partnership Council. There really is no role. I mean we had a lot of meetings, but the State does not provide job training to youth. The State has to turn around and pass that money on immediately to localities, and I think you could eliminate a lot of bureaucracy if you were to eliminate that level.

I want to say something else to you, if I can. In my previous life, as I indicated, I ran a large human service agency. We had a subsidiary corporation that built affordable housing, and for a long time we tried to get contractors to employ young people in the building of those houses, and they resisted us because they claimed that they were working on thin profit margins, and I have to accept that in reality, that we are building these houses to get the people who were moderately poor so that they could become first time homeowners, and these houses were quality houses, but we could not load them up with costs.

I have been Mayor now and I am starting my 15th month. The last summer we got in Rochester a YouthBuild Program. The first thing I did was to insure that we could implement a plan to get young people trained in building trades. Here is what we are doing.

We are giving to this YouthBuild Program houses that would otherwise be scheduled for demolition, and my point is we are going to spend $8,000 or $10,000 to tear them down in the first place. Why not turn these houses over to young people, and if they should mess them up, then we will tear them down, but if they can use their new skills to fix them up and sell them and derive a profit, these are the kinds of programs that you ought to be encouraging.

And I will tell you I cannot think of some bureaucrat in Albany, New York, who would allow us that kind of discretion. You are talking about a major who has 25 years of experience in the not-for-profit sector who believes that the fundamental way to make people self-sufficient is to give them the opportunity, first, to get the skills and, secondly, to use those skills, and I will tell you that this YouthBuild Program has been a blessing for us because there is nobody in the private sector who would allow us, first, to train hard core youth, and I do not use that term, but youth without skills and then give them the opportunity to put those skills into practice.

So I am telling you, yes, that as I told Governor Pataki last week at the State Conference of Mayors: do not waste your time sending that money to State capitals. You find a way to get it right to cities, and we will put it to use, and you will be proud. You can go home and campaign, sir, on having done something good for the citizens of this country.

Mr. WILLIAMS: Expounding or coming off of what you say, let me say something seriously to my friends, two Chairmen, who are here. I think as both of you know, I and a number of my colleagues really do want to participate in a bipartisan way in trying to develop block grant legislation.

I served in the State legislature in Montana a couple of terms. I am now in my ninth term here, and like both of you, I am a student of government and a bit of a buff about political governmental history, and I have come to believe that history shows that the least responsive, least flexible level of government in America is State government.

To give them block grants does not seem to me to be a good idea. Now, that is not to say that we should not find an improved way. It has been the way we are doing it now, but I think we ought to give a lot of attention to what the Mayor is saying.

This is more than simply each elected official saying: just give me the money. I can do it. These are people using years of experience saying: do not substitute one bureaucracy for 50.

I think as we do this important work that we are about, I think we ought to be very careful about who is going to control this block grant money.

I thank the Chairman.

Chairman McKEON. Thank you very much.

I agree with you totally.

Chairman GOODLING. Would the gentleman yield?

Chairman McKEON. Yes.

Chairman GOODLING. Of course, I have said time and time again block granting in my estimation is not revenue sharing. If we do not set the goals and if we do not have the way to determine whether those goals are being met, then an entity that is trillions of dollars in debt should not be revenue sharing with anybody. We have to set the goals, and we have to be sure that we can assess whether the goals are being met or not.

Chairman McKEON. Mr. Mayor, I also served as a mayor and member of the city council and for years on a school board, and I had at least as much problem with State government as with Washington, and that is the real concern I have had. Where we are trying to get savings out of all of these programs is cutting Federal bureaucracy, and if it just becomes then State bureaucracy, we have not really done anything.

So my philosophy is get the decision making closest to the people that are going to participate in the outcome of the decision, and as I served in local government, I thought that it was very capable, and we had community involvement. You know, if you are going to build a road or if you are going to do something that impacts neighbors, you know, you get all of the neighbors involved and you work it out.

But these buildings that you're retrofitting or rehabbing in York, who owns those buildings?

Ms. DOTSON. The Redevelopment Authority in York City donates abandoned buildings to YouthBuild to rehabilitate in our communities. Part of why YouthBuild is so successful is because taxpayers can see where their tax dollars are going. They can see the results of the project. They can see that young people not only rebuild their lives, but they rebuild their communities in the process.

We've been very successful in the community. We've had large contracting companies calling us wanting to take our students as interns where they can gain hands-on experience and further their vocational skills, and that's been wonderful that we've gained that much support in the community for YouthBuild.

Chairman McKEON. When you finish rehabbing one of these buildings, are you going to sell it? Are you going to use it? What will be done with those buildings?

Ms. **DOTSON**. The Crispus Attucks Association will own the building, and we will lease eight efficiency units for low income residents in the community, and the first floor will be used for a commercial space to help subsidize the cost of the development of the project.

Chairman **MCKEON**. And then so any profits you derive will just go back into the program and be able to do more buildings, help more young people?

Ms. **DOTSON**. Well, there is very little profit that we are making off of the building. What we do is these programs are funded on a yearly basis. The city has already donated the building that is directly across the street from the project that we are working on now to target for our next year's project.

Chairman **MCKEON**. If you start with a free building, you should have some profit in there, I would think.

Ms. **DOTSON**. Well, these buildings are assessed at zero value. There is lots of money that is involved in just the gut rehabilitation of the building and getting it stabilized. So the cost of renovating some of these buildings can be high. So that's why many of these buildings that are sitting vacant in the cities have not been rehabbed by for profit companies, because the cost to rehabilitate them is so substantial.

Chairman **MCKEON**. Oh, I imagine they are paying their labor and their people much more than what you are when you are training people.

Ms. **DOTSON**. That is correct.

Chairman **MCKEON**. Plus, they have to have dollars tied up when they buy a building.

Ms. **DOTSON**. I understand what you are saying. Basically what happens is when the city donates a building to the YouthBuild Program, it allows a lot of things to occur. First of all, it provides approximately 28 students the ability, okay, to learn a construction trade, as well as get paid in the process, where they become taxpayers and get off the welfare system and can pay child support for their families.

Chairman **MCKEON**. So that may be the profit.

Ms. **DOTSON**. Exactly.

Chairman **MCKEON**. Now, is this in York and in Rochester the same YouthBuild Program? Is this a national program?

Mayor **JOHNSON**. Yes, it is. I do not know how long the York program has been in existence, but our first set of young people are now being trained.

I want to go back, Mr. Chairman, to follow up on your point because I think it is very critical to understand the process.

Because in Rochester my predecessor had established the practice of contracting with not-for-profits in the building of affordable housing, these houses were costing at market rate between $55,000 and $60,000. Through the application of affordable housing subsidies, they could be sold to the homeowner for $20,000 less.

But the fact of the matter is that $55,000 worth of labor and material went into the construction of these houses.

Chairman **MCKEON**. And the property?

Mayor **JOHNSON**. That is right. Now, the city essentially took property, lots, and passed them on for a dollar, and so you are right. Some of the costs were absorbed by the city, but the fact of the matter is this. If we take this same amount, in my view, once we have trained our young people in Rochester, we can actually turn over houses that are being rehabbed by other contractors, and with their skills they ought to be able to not only do the work, but get paid a wage.

They gain the skills, and my hope is that in a short time some of these young people will be able to go into the construction business. They will have acquired the on-the-job experience, so that it is a way in the future to get young people off of public assistance and to become self-sufficient.

I would say without being redundant I cannot conceive of some bureaucrats allowing this to happen. This money was created at the Federal level. It is passed on. It is a very creative kind of program, and it gives us the flexibility to do something that we could not do in the open marketplace.

I think that kind of ingenuity and vision should not be destroyed before it has had a chance to prove itself.

Chairman McKEON. It is kind of like a self-help program like the program that President Carter is in, the Habitat for America.

Mayor JOHNSON. That is right. Now, this is a national program. Who started this program? How long has it been going? Where is the national leadership on it?

Ms. DOTSON. Okay. The first YouthBuild Program started in East Harlem in 1978, and it was when a group of young people got together who were hanging on the streets and wanted to make some positive changes in their lives as well as their community, and they went to the private sector and raised some funds to rehabilitate this building, and from there the movement is just taking off.

Dorothy Stenman is president of the YouthBuild organization, which the national office is located in Boston. We now have approximately 150 implementation and training sites across the country.

Chairman McKEON. Is this mostly an inner city type thing with older buildings or is it being done in rural areas?

Ms. DOTSON. There have been a few sites who received training grants in rural neighborhoods to see how effective it will be in those types of communities. YouthBuild usually targets inner city youth from the ages of 16 to 24 who are high school dropouts and been involved in the criminal justice system.

One thing that I want to mention. I have heard lots of comments made about the school systems and what is not working. One thing I need to point out that we have heard from our young people is that the reason that they are uncomfortable in the standard school system is because they bring a lot of baggage with them to the classroom. Many students who go to class come from poor families. So if it is time for a youngster to go on a field trip, they cannot go because they do not have the money. So, therefore, they don't go to school that day.

They are judged by what they wear. They are judged by if they have the up-to-date sneakers on their feet. So if they do not and they do not have the clothes to wear, they are not going to go to school.

At the YouthBuild Programs, we don't judge them by what they wear. We judge them by the fact that they have made the first step to change their lives. Like I said, what is very key to any successful youth program is that all staff have a clear understanding about inner city youth and the troubles that they incur on the streets.

I love our students just like they were my own children, and I know I speak for the staff, my entire staff. When they suffer, we suffer. We are there for them every step of the way. As Lester mentioned, if they have a crisis going on at home, we are there for them. It is not an eight hour a day job.

Teachers who are from the suburbs who are teaching in inner city schools who have gone to college to learn how to become an English teacher, that is what they have gone to school to learn. So they have had very little interaction with inner city youth and have little knowledge in terms of how to deal with the struggles and understanding how to deal with it.

So when the student acts out, their first instinct is to kick them out of class or to send them down to the principal's office. That is not how we need to be dealing with these issues.

The YouthBuild Program provides counselors, job developers, and like I said, parents and family work together as a team to see that we are successful.

Chairman MCKEON. How long have you been in the program, Lester?

Mr. WESTRY. I have been in the program on the 26th it will be six months. On the 26th of this month, it will be six months.

Chairman MCKEON. And you have learned plumbing?

Mr. WESTRY. I have learned plumbing, construction skills, leadership skills, how to work well with people, job readiness, job preparation, being on time, all of that. You know, I have learned a lot. I could speak all day on it.

Chairman MCKEON. Now, do you need to continue another six months in the program or a year or when do you think you will be able to go into private industry and practice these same skills?

Mr. WESTRY. I feel as though that I am ready today, but we are working as a program. It is a bit of individuality in the program, you know, considering getting your GED, working at your own pace, but I believe that I will be ready now but for some it would take the whole year, I believe.

Chairman MCKEON. Every day though that you are spending there, you are learning more and it will make you more valuable when you go out into private industry.

Mr. WESTRY. Exactly, and after I come back, they may be in a meeting, and I come in all smiles. What I learned today, like if they are in a meeting, so it is pretty fun learning.

Chairman MCKEON. I think apprenticeships in plumbing or in carpentry run several years. So with as much as you have learned, there is still a long way to go, but I want to commend you for what you are doing.

And as we end this hearing today, I would like to ask each of you as we go through this process we will be having more hearings. Then we will be moving to a mark-up. I would certainly encourage you to keep in touch with us and to make sure that as you leave here if you think of something else that you have not said, you know, make sure that you get that to us so that we have the benefit of your counsel and wisdom as we move through this.

Mr. Mayor.

Mayor JOHNSON. Yes, Mr. Chairman. I would like if I could to submit for the record a letter that was sent last week to Speaker Gingrich from the President of our Conference of Mayors, Mayor Ashe of Knoxville that essentially speaks to our support for rescinding the rescission if that is appropriate, and also to point out because I think you were getting interested in the YouthBuild Program, apparently the entire $38 million appropriation for YouthBuild was rescinded under the HUD appropriations. So that is another matter we would like for you to look into.

I think this program has tremendous potential.

Chairman MCKEON. We will look into that, and as the Chairman mentioned earlier, we have a little different ideas on these programs on the authorizing committee than they do in the appropriating committee, and our full committee met with the Speaker yesterday, and we will be looking into this.

I just cannot imagine that we are going to cut a program while people are already making commitments and planning for the summer. If we want to look out ahead and analyze the program and feel that it is not contributing, you know, then we should debate it and work at it, but you do not just cut something while people are in midstream. So I am hoping that we will prevail on that.

Thank you for being here. We really do appreciate it.

We will adjourn.

[Whereupon, at 11:23 a.m., the subcommittee was adjourned.]

[Additional material submitted for the record follows.]

STATEMENT OF VICTOR ASHE, MAYOR OF KNOXVILLE, PRESIDENT, UNITED STATES CONFERENCE OF MAYORS, WASHINGTON DC

Dear Mr. Speaker,

I am writing on behalf of the Nation's mayors to express our alarm at the action taken by the Appropriations Committee which would rescind all of the funds from the summer youth employment program for this summer. While several of the rescissions reported out of the committee are extremely troubling for our cities and their residents, this is by far the most serious. We urge you to make sure that funding for the summer youth employment program this summer is restored when the rescissions package reaches the floor of the House.

The elimination of the summer youth program will result in the loss of an estimated 615,000 job slots this summer. These employment opportunities are desperately needed by our disadvantaged and underserved youth population. A Federal withdrawal at this late stage will result in more disadvantaged youth on our streets this summer. Mayors and police chiefs are concerned.

Further compounding the problem is the fact that work for this summer's program is already underway in our cities. Because the program is forward-funded and the summer is only three months away, local officials and program operators have already issued bids and expended funds on this summer's program. We must move quickly to ensure the stability of the funding for this program. Otherwise Congress's action will only serve to undermine its administration and effectiveness this summer.

A summer job is one of the most positive experiences we can provide to a disadvantaged young person. We hope you will work with us to make sure that it remains available.

HEARING ON TRAINING ISSUES, SPECIFICALLY PROGRAMS FOR DISADVANTAGED YOUTH

THURSDAY, MARCH 16, 1995

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON POST-SECONDARY EDUCATION, TRAINING, AND LIFE-LONG LEARNING, COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES, *Washington, DC.*

The subcommittee met, pursuant to call, at 9 a.m., Room 2175, Rayburn House Office Building, Hon. Buck McKeon, Chairman, presiding.

Members present: Representatives McKeon, Gunderson, Riggs, Souder, Williams, Reed, Roemer, and Green.

Also present: Representative Sawyer.

Staff present: Mary Gardner Clagett, professional staff member; D'Arcy Philps, professional staff member; Sally G. Lovejoy, senior Education policy advisor; Rich Jerue, counsel; Dr. June L. Harris, Education coordinator.

Chairman MCKEON. Good morning. I want to welcome today's witnesses to the sixth in a series of hearings our subcommittee is holding on the topic of work force preparation in this country.

Specifically at these hearings we are looking for ways to thoughtfully consolidate and reform our current way of federally funded career related education and job training programs into a true system of lifelong learning.

At today's hearing, we are looking at how to reform these programs which provide education, training, and employment assistance to disadvantaged and out-of-school youth. Witnesses at this morning's hearing will discuss a diverse range of programs designed to serve disadvantaged youth. We will be looking to you to identify the core components of your individual programs or programs that you have studied which explain their success in serving at risk youth, as well as to identify problems with the current array of youth training programs that should be addressed in reform legislation.

While progress has been made in recent years in serving harder to serve individuals and providing longer term interventions, the JTPA Youth Program continues to be criticized for providing short-term employment and training assistance that has not proven effective for at-risk youth.

The primary Federal program which does provide more intensive long-term services, the Job Corps Program, has also come under close scrutiny for inconsistent performance, high costs, and concerns regarding violence and drug use at program centers. In fact, these less than favorable reports on our programs serving disadvantaged youth have, in large part, led House appropriators to recommend deep cuts in the funding for youth training programs.

It is vital that we determine what works and what does not work when preparing disadvantaged and out-of-school youth for the world of work. While much of the debate surrounding all Federal work force preparation efforts centers around problems within existing programs, in reality there are some very high quality programs on which a newly energized system could build, and several of these programs are represented here today.

I look forward to hearing from each of our witnesses as we begin this careful examination process, and I look forward to your recommendations for reform of our Nation's programs designed to prepare youth, especially disadvantaged and out-of-school youth, for the work force. I know that your insight will prove most useful.

We will begin with our first panel this morning. We have Ms. Nora Wang, Commissioner, the New York City Department of Employment, from New York. Then we have Ms. Sharon Williams, Director of the Opportunities Industrialization Center West from Menlo Park, California, just glad to get out of the rain, I guess.

Ms. WILLIAMS. It stopped the day I left, yesterday.

Chairman MCKEON. Never fear. I hear it is coming again.

Ms. WILLIAMS. Sunday, when I go back.

Chairman MCKEON. And then Mr. Gary Walker, President of Public/Private Ventures from Philadelphia, Pennsylvania, and we will begin with Ms. Wang, please.

STATEMENT OF NORA WANG, COMMISSIONER, NEW YORK CITY DEPARTMENT OF EMPLOYMENT

Ms. WANG. Good morning, Mr. Chairman and Members of the Subcommittee on Postsecondary Education, Training and Life-Long Learning. I want to thank you for inviting me to this testimony.

I am very pleased to testify before you. My name is Nora Chang Wang. As you just introduced, I am the Commissioner of New York City Department of Employment.

New York City is the largest SDA, what we call service delivery area, and also the most diverse one in the Nation under the Job Training Partnership Act, JTPA. Who do we serve? Let me just give you a very quick rundown about the type of individuals that we serve.

We serve individuals including dislocated workers, low income adults, public assistance recipients, refugees, immigrants, as well as out-of-school youth and in-school youth, of course.

In New York City, we have already accepted the challenge of building a more efficient and effective employment and training system. We are already moving to consolidate programs and services. In fact, our agency, Department of Employment, and the Private Industry Council of New York City presently oversee a job training system which privatized the service deliveries through for profit and not for profit organizations, labor unions, educational institutions, et cetera.

We have also recently begun to aggressively explore the many ways in which the private sector can assist us in reexamining the whole employment and training system. The business community is our very valued partner in this restructuring process, and the role of the employer in the preparation of our skilled work force is the key to our approach in New York City.

For example, we recently just completed an extensive employer survey of 3,000 businesses in New York City to match anticipated employer needs for skilled employees with the present job training curricula offered by our service providers. Simply by consulting businesses and then focusing our training providers on developing the skilled work force desired by those businesses, DOE makes sure that both the needs of the employer and the future employee are met, and it is a very, very simple what we call supply and demand theory in action.

I would like to share with you one example of such a successful collaboration as our DOE's effort to provide skilled workers for the fashion industry by funding courses where applicants, participants in this case, utilize the latest technology to upgrade and diversify their skills in the fashion industry area.

We also have embarked in a lot of other industries, like jewelry and diamond industry, et cetera.

Conversely, many major corporations have a lot to teach us about developing a skilled work force. By working together in partnership, business and government can, yes, they can, forge a common sense approach to employment training.

I would also like to share with you some very exciting initiatives we are taking in New York City and, in doing so, stress the importance of local coordination between short, effective delivery of services.

Local governance is the centerpiece of an effective work force development system because it offers the flexibility needed to address the unique characteristics of particular localities. This is especially true for large urban cities like our city, with diverse population and changing economies.

Block grants made directly to localities are the most effective form of funding because they provide that flexibility. New York City, under the leadership of Mayor Rudolph Giuliani, is presently working closely with major corporations in our city to develop a welfare-to-work model under which the city would provide carefully screened, responsible Work Fair participants to corporations for job training that will lead to real jobs.

If our city had the flexibility and the funding to replicate this model for the delivery of employment and training service for all New Yorkers, our entire local job training system will be transformed. We ask Congress for the flexibility in rules and regulations to implement such exciting initiatives through block grant funding for localities.

Quality and accountability are the cornerstones of New York City's common sense approach to job training. In restructuring our system, we have incorporated the successes of the past. We also learn from our mistakes and provide a mechanism for continuous improvement.

The most recent DOE return on investment analysis for our core training program indicates that for every one dollar spent on job training programs, we get $1.70 return to the New York City economy in wages, tax revenues, and welfare savings.

We know that we must be customer focused, market driven, and cost effective in terms of benefits returned to the community. We also know that the community expects us to spend their tax dollars wisely, streamline, and cut bureaucracy, improve efforts to make public assistance recipients economically self-sufficient.

A common sense approach dictates that the red tape and paper shuffling which discourages business participation in job training programs must be eliminated.

Also, a common sense approach that the only real measurement of success for an employment and training system is the number of actual jobs that its participants obtain and keep.

Finally, a common sense approach depends on the DOE training providers be held to high standards of demonstrated effectiveness.

In the interest of time, let me just, you know, quickly go through my testimony to give you some highlights of that.

I want you to know that our agency feels very strongly about only good providers should be the ones that are in business. So in a very recent RFP that we just issued, 50 percent of our current portfolio are not going to be in the portfolio because they have not met the minimum requirement, and that is a very, very strong commitment from our administration to the employment and training community there.

In an attempt to meet the expectation of the public to provide common sense standards for program performance, we also implemented and launched a one-stop career center system in our city with our JTPA disadvantaged adults and youth, as well as dislocated workers, and let me just give you one example of what we have done.

There are a total of 4,500 training and education course openings in our city, and then what we have developed so far is what we call a TRAIN because that is very, very common language for New Yorkers. We call it Electronic Training Resource and Information Network, which provides the customer with detailed information on all of these 4,500 education and training course openings and lets them understand which are the ones that they could go to, and what their choices are. They are also integrated with the performance standards, of course, and performance outcomes.

We also have implemented our automated information system, which is critical, to serve as a case management information and reporting tool and have the capacity to link with other information systems, for example, with the welfare system and with the education system.

This is critical because otherwise all our talk about quality is just superficial because we feel that only by doing so through the computer system that we could really focus a lot of time on quality rather than paper shuffling.

Since the specific focus of the subcommittee today is on disadvantaged youth, I would also like to share some of our models that you are very interested, you know, in knowing, some of the very, very good models that we have in serving the in-school and out-of-school youth.

In large urban centers like ours where school dropout rates are substantially higher, JTPA Employment and Training Program often provides the only introduction to the world of work that many youngsters can obtain. These young people simply have no work histories and no training in good work habits, namely, punctuality, acceptance of supervision, time management, communications skills, and completion of assigned tasks, some very basic things that the employers are looking for.

Based on our experiences in dealing with the Job Training Program for Disadvantaged Youth in New York City, we know that successful program models set standards for performance and behaviors similar to those required by the business community.

Young people are in the training program to study and learn in the classroom, but they learn by doing at a work site. So we learn actually that the best practice for disadvantaged, out-of-school youth is that they can learn things in the classroom and they go to an internship with the businesses, and we have a lot of them in our city, and these businesses range from small, medium size, to large corporations like American Express and J.P. Morgan because by this model the youngster could really integrate what they learn in the classroom to the work site. When they go back to the school the very next day, they can really share their actual experience in talking to their teachers that, hey, this is what we learned, and we are confused, and how we can really, you know, help them with that.

But this is critical that monitoring and counseling should continue during the training phase, as well as after job placement to insure good performance and higher job retention rates.

The Department of Employment is especially proud of the involvement of the businesses in our SYEP, Summer Youth Employment Program. Just to give you a sense of how large our program is, last summer over 35,000 SYEP participants worked at 3,200 sites ranging from museums, hospitals, day care centers, and businesses in our cities, such as Citibank, Sears, and small corporations as well.

These young people and many more like them wanted to work, help their families, and prepare for the future. We really must give them a chance. As the government seeks to reduce spending and consolidate employment training services, which we strongly support, we urge Congress, however, to make an investment in our Nation's future by restoring the funding for the SYEP Program.

As stated earlier, for any local work force development system to be effective, it should have the flexibility to respond to the specific needs of the geographic region. That is why we believe block grants made directly to localities are the most effective form of funding.

If Congress, however, instead enacts block grants to the States, we will recommend that such legislation prescribe the formula for allocating funds from the State block grants. Such a formula should be tailored to the demographics of individual localities, meaning the incidence of unemployment, poverty, school dropouts, public assistance recipients, and number of people with limited English proficiency.

I understand the voucher right now is a very popular topic on the Hill here. So we would like to share with you——

Chairman McKEON. Ms. Wang.

Ms. WANG. Yes.

Chairman McKEON. Maybe if you could wrap up. Then we will cover——

Ms. WANG. Just one minute. Thank you very much.

We would like to share with you our experience with the voucher system. We, in fact, are successfully using a form of the voucher system in our JTPA Dislocated Workers Program since 1990. What we have found is that the voucher is a very good mechanism. However, it cannot be used alone as the only option for the service delivery because if we do not do the assessment, if we do not do the screening very well for the customers, then the system can very well be abused.

You probably are very much aware that many of the Pell grants, and a lot of the proprietary schools in our city actually are abusing that kind of system. So we want to be very, very careful, and the way that we have developed and we have implemented really gives the value of the vouchers, but then we do not see that kind of abused system in our voucher implementation.

So we also would recommend that the business community, which so far has been excluded from the job training voucher system formulated by the Congress, but we would really recommend that they should be part of that as well.

To end my testimony, Congress now has the unique challenge of recreating employment and training programs based upon the needs of the 21st century marketplace. New York City stands ready to assist in that effort.

We all share the same goal, to provide the kind of quality work force that our Nation needs through an employment and training system based upon common sense principles that treat both the business community and our clients seeking job skills as our customers.

I really appreciate the opportunity to share these views with the subcommittee, and I will be happy to respond to any questions later on.

Chairman McKEON. Thank you very much.

Ms. WANG. You are very welcome.

[The prepared statement of Ms. Wang follows:]

NORA CHANG WANG
COMMISSIONER, NEW YORK CITY DEPARTMENT OF EMPLOYMENT

I am pleased to testify today before the distinguished members of the Subcommittee on Postsecondary Education, Training and Life-long Learning. My name is Nora Chang Wang and I am the Commissioner of New York City's Department of Employment (DOE). New York City is the largest and most diverse Service Delivery Area (SDA) under the Job Training Partnership Act (JTPA). We provide services to a wide range of individuals including dislocated workers, low-income adults, public assistance recipients, refugees, immigrants as well as out-of-school and in-school youth. In New York City, we have accepted the challenge of building a more efficient and effective employment and training system. We are already moving to consolidate programs and services. In fact, the Department of Employment and the Private Industry Council of New York presently oversee a job training system which privatizes service delivery through for-profit and not-for-profit organizations, labor unions and secondary and post-secondary educational institutions. We have also recently begun to aggressively explore the many ways in which the private sector can assist us in re-examining the whole employment training process.

The business community is our very valued partner in this restructuring process and the role of the employer in the preparation of a skilled workforce is the key to our approach in New York City. For example, we initiated an extensive Employer Survey of 3,000 businesses to match anticipated employer needs for skilled employees with present job training curricula offered by our service providers. Simply by consulting businesses and then focusing our training providers on developing the skilled workforce desired by those businesses, DOE makes sure that both the needs of the employer and the future employee are met. The employer gets a skilled worker and the employee gets a job; it's basic supply and demand theory in action. One example of such a successful collaboration is DOE's effort to provide skilled workers for the fashion industry by funding courses where participants utilize the latest technology to upgrade and diversify their skills. Conversely, many major corporations have a lot to teach us about developing a skilled workforce. These corporations have proven track records in successfully providing their employees with the skills necessary to compete in the global marketplace. By working together, in partnership, business and government can forge a common sense approach to employment training.

I'd like to share with you some exciting initiatives we are taking in New York City and, in doing so, stress the importance of local coordination to ensure the effective delivery of services. Local governance is the centerpiece of an effective workforce development system because it offers the flexibility needed to address the unique characteristics of particular localities. This is especially true for large urban areas with diverse populations and changing economies. Block grants made directly to localities are the most effective form of funding because they provide that flexibility. New York City, under the leadership of Mayor Rudolph Giuliani, is presently working closely with major corporations to develop a welfare to work model under which the City would provide carefully screened, responsible workfare participants to corporations for job training. If our City had the flexibility and the funding to replicate this model for the delivery of employment and training services for all New Yorkers, our entire local job training system would be transformed. We ask Congress for the flexibility in rules and regulations to implement such exciting initiatives through block grant funding for localities.

Quality and accountability are the cornerstones of New York City's common sense approach to job training. In restructuring our system, we have incorporated the successes of the past, learned from our mistakes and provided mechanisms for continuous improvement. The most recent DOE return on investment analysis for our core training programs indicates that for every $1 spent on job training and job-readiness services during the last program year (1993), $1.70 was returned to the New York City economy in wages, tax revenues and welfare savings. We know that we must be customer-focused, market-driven and cost-effective in terms of benefits returned to the community. We know that we are accountable to the public we serve and we know that New Yorkers expect us to do more than provide quality job training through our service providers based upon high performance standards. They also expect us to spend their tax dollars wisely, streamline and cut bureaucracy, improve efforts to make public assistance recipients economically self-sufficient, and find productive roles for young people in the labor force. A common sense approach dictates that the red tape and paper shuffling which discourage business participation in job training programs must be eliminated. A common sense approach also means that the only real measurement of success for an employment and training system is the number of actual jobs that its participants obtain and keep.

Finally, a common sense approach demands that DOE training providers be held to high standards of demonstrated effectiveness. If providers do not deliver the kind of quality job training which DOE and JTPA performance standards require, then their contracts should not and will not be renewed. DOE strengthens training providers by offering technical assistance, capacity building and a fully automated computer reporting and information linkage. But if training providers don't actually place customers in jobs, we must find others who can. It's as simple as that. As a result of DOE's most recent Request For Proposals (RFP), our training provider portfolio has been reduced by over 50% as we now give greater emphasis to the demonstrated effectiveness of programs. The greater level of competition among providers and the reduced level of available funding were also factors in the downsizing of our training portfolio.

In an attempt to meet the expectations of the public and to provide common sense standards of program performance, the New York City Department of Employment has begun implementing a One-Stop Career Center System which offers a full range of services including assessment, counseling, referrals to education and training providers and job placement. Let me share with you an example of an innovative practice

BEST COPY AVAILABLE

implemented in our One-Stop Career Center System. The City has in place an electronic Training Resource And Information Network (TRAIN) which provides the customer with detailed information on over 4,500 education and training course openings and pinpoints those that are recruiting applicants. In addition, our newly networked Automated Information System (AIS) serves as a case management, information and reporting tool, and has the capacity to link with other information systems.

Since the specific focus of the Subcommittee today is on disadvantaged youth, I would like to state that in New York City, we are especially concerned about the effect of any legislative reform of job training programs on in-school and out-of-school youth. In large urban centers like ours where school dropout rates are substantially higher, JTPA employment and training programs often provide the only introduction to the world of work that many youngsters can obtain. These young people simply have no work histories and no training in good work habits (punctuality, acceptance of supervision, time management, communication skills and completion of assigned tasks). Without the assistance provided by JTPA programs, many of these young people could not find and keep jobs.

Based upon our experiences in dealing with job training programs for disadvantaged youth in New York City, we know that successful program models set standards of performance and behavior similar to those required by the business community. Young people are in the training program to study and learn in the classroom, but they learn by doing at a worksite. They learn in the context of a structured work environment where all must adhere to a business-like dress code, be on time and follow work assignments. They integrate skills acquired in training with actual internship experience at businesses. Through our training providers, young people are working at internships with many small and mid-sized businesses in New York City as well as with some large corporations such as American Express and J.P. Morgan. These programs also involve extensive counseling and monitoring of program participants during the training and after job placement to ensure good performance and higher job retention rates. The Department of Employment seeks to expand such business involvement in our programs because it has proved to provide the most successful model for training our City's youth for the workforce.

The Department of Employment is especially proud of the involvement of businesses in its Summer Youth Employment Program (SYEP). Last summer, over 35,000 SYEP participants worked at 3,200 worksites, ranging from museums to hospitals to day care centers and private sector companies such as Citibank and Sears. These young people, and many more like them, wanted to work, help their families and prepare for the future. We must give them that chance. As government seeks to reduce spending and consolidate employment training services, we urge Congress to make an investment in our nation's future by restoring the funding for the Summer Youth Employment Program.

As stated earlier, for any local workforce development system to be effective, it should have the flexibility to respond to the specific needs of its geographic region. That is why we believe that, under any national legislative proposal adopted, block grants made directly to localities are the most effective form of funding. If Congress, instead, enacts block grants to the States, we would recommend that such legislation prescribe the formula for allocating funds from the State block grant. Such a formula should be tailored to the demographics of individual localities: the incidence of unemployment, poverty, school dropouts, public assistance recipients and numbers of people with limited English proficiency.

I would also like to take the opportunity to share with the Subcommittee New York City's experience with the voucher system. We have been successfully using a form of the voucher system in conjunction with case management since 1990. Vouchers have been a feature of our dislocated worker program, administered through our Worker Career Centers in association with the New York State Department of Education. The use of vouchers expands the occupational training opportunities available to dislocated workers. Our system has a cap of $2,000 and a 20% co-payment feature. Requiring a co-payment enables us to stretch the tuition assistance, while at the same time eliminating thoughtless or casual use of taxpayers' dollars. Our experience has shown that vouchers are not effective if used alone; assessment, counseling, referral and monitoring services are necessary. Under such a voucher program, localities should be empowered to select local providers based upon performance data and standardized quality measures to protect against abuse of the system. We would also recommend that the business community be included as a part of any job training voucher system formulated by Congress.

Congress now has the unique challenge of recreating employment and training programs based upon the needs of a 21st Century marketplace. New York City stands ready to assist in that effort. We all share the same goal: to provide the kind of quality workforce that our nation needs through an employment and training system based upon common sense principles that treat both the business community and those seeking job skills as customers. I appreciate the opportunity to share these views with the Subcommittee and I would be pleased to respond to any questions.

Chairman McKEON. Ms. Williams.

STATEMENT OF SHARON WILLIAMS, DIRECTOR, OPPORTUNITIES INDUSTRIALIZATION CENTER WEST

Ms. WILLIAMS. Thank you very much.

Mr. Chairman, thank you for the opportunity to address you and Members of the committee.

I will talk with you today about the young Americans I know, young Americans who are growing up in the shadow of poverty and crime. As we debate funding and programs for disadvantaged youth, we should be mindful that this is a population in flux and that the window of opportunity is fleeting.

The young person we help or fail to help today soon will be an adult, and there is no chance to turn back the clocks, no second chance to catch them while they are young, and the piper will be paid.

I know their names. I see their faces. I hear their voices and what they are saying every single day, and I am here to speak with you on their behalf. All they ask is for someone to give them a chance.

I am the Executive Director of a program that does just that. The program is Opportunities Industrialization Center West, which we always call OICW, and it is a nonprofit job training program located in Menlo Park, California, on the border of the low income city of East Palo Alto.

You may have heard of this little city because East Palo Alto gained national recognition in 1992 for having the highest per capita murder rate, homicide rate in the country. The young people of East Palo Alto became accustomed to hearing gunshots during the night and to waking up in the morning to learn that another friend had been killed.

OICW is affiliated with OICs of America, which was founded in 1964 by Reverend Leon Sullivan. At OICW, we train more than 2,000 people every year, with an operating budget of just about two and a half million dollars. Half of our operating funds come from government grants and contracts, but the other half comes from the private sector, from individuals and corporations and foundations.

We receive more than 2,000 donations each year from people in our immediate community who believe in what we do, and they range from big donations from people like Bill Hewlett and David Packard to small contributions from graduates of our program who want to give something back.

Our latest effort to raise operating funds is to earn it ourselves through catering and printing. In July we will be opening an operating restaurant in downtown Redwood City in cooperation with another program called Youth and Family Assistance that has transitional housing for homeless teens.

At OICW we find ways to leverage our government dollars through partnerships with adult schools and community colleges, through internships, paid internships paid by the employer with local businesses. OICW works because we have an attitude that works, and when our trainees leave our center to begin new jobs, they have the right kind of attitude to succeed.

OICW works because we believe so completely in the potential of our trainees that before long they really believe in themselves. Today I will highlight OICW programs that work specifically for youth, and in so doing I am going to limit my remarks to two programs because of the time constraints.

The first I am going to talk about is called SASSY, School After School for Successful Youth. Now, the need for SASSY became obvious when OICW was operating a program on high school campuses called TOP, Teen Opportunity Program. The students we tutored and counseled were so desperately behind in their high school credits that even if they tried their hardest, they had no chance of graduating on schedule.

What they needed was a chance to catch up. They needed that opportunity. We gave them that opportunity by establishing School After School at the OICW training facility which is right there in the neighborhoods where they live.

By coming to SASSY after their seventh period classes, they could learn vocational skills, work on academic competencies to pass their graduation proficiency tests, establish a practical post-graduation plan so that they did not just get that diploma and not know what to do with themselves, and they could earn up to 10 credits per semester toward their graduation.

OICW is accredited by WASC, and that is why we can give credits.

We announced the opening of SASSY, and the kids arrived in droves in school buses, on cars, and on foot. Now, these are at-risk kids I am talking about, disadvantaged kids, the problem kids in the high schools, the losers soon to be winners who were coming to School After School and making that extra effort. All they really needed was a chance.

But now the onus was on us. We had to keep them interested. We could not let them down. We had to keep them engaged, and we discovered that these difficult kids are not so difficult after all when they are doing something in which they see relevance.

In printing, their first project is to develop a personal business package. They make their own letterhead and their own business cards and memo pads, and I cannot tell you how soon it became cool to pass out business cards, and they loved making them.

And in culinary arts they cooked foods they had never even heard of before. I mean soon their eager and hungry buddies were hanging around getting some goose pate and duck sausage, and they found out that there is such a thing as real homemade pizza.

In electronics, the trainees repaired television sets, colored television sets, and they learned something about quality control because those television sets were raffled off at the end to the members of the class, and they knew that they might become the proud owner of one of those things, and they wanted it to work for a while.

In industrial maintenance, the trainees built a community bulletin board for City Hall, and they etched their names in that wood, and it is there as a testimony to their efforts.

Clerical trainees produced as SASSY newsletter to brag about what their classmates were doing. I just wish you could see how busy they are, how enthusiastic and motivated they are, these disadvantaged problem kids that people are willing to write off.

I did not know I was going to run out of time so soon, and so I am going to say something very briefly about the approach of our Summer Youth Employment and Training Program because it is different from other programs I have heard of, and once again I want to repeat the importance of relevance, relevance of education.

Anybody who has heard a teenager whine, "Why do I have to learn that? I am never going to use that again," would be happy to know that that is the kind of complaint on which we based our Summer Youth Program.

What we do is apply an academic skill immediately to a practical application. For example, if we are teaching ratio and proportion, we will have the student then go immediately into the culinary arts class where they increase or decrease a recipe, to printing where they enlarge or reduce an image, to the maintenance class where we have a carpentry program. They reduce a play house to scale down to a doll house for our Child Development Center.

What they do is apply it, and then it makes sense, and then they realize, yes, there is relevance to education, and it is for a reason.

Well, I just will close by saying I wish you could see them. I wish you could just see their smiles and their enthusiasm and what happens to disadvantaged kids when they get an advantage. If I could just take you to California with me, I would, but knowing that I cannot, I am going to leave a video here, and I hope that some of you will take a chance to look at it.

Thank you very much for your time, and I hope that you will not rescind funding for youth programs and for the Summer Youth Programs and the rug will not be pulled out from under these kids just when they are getting on the right track.

Thank you.

[The prepared statement of Ms. Williams follows:]

Presentation to

Committee on Economic and Education Opportunities
MAJORITY Office
U.S. House of Representatives

by

Sharon A. Williams, Executive Director
Opportunities Industrialization Center West (OICW)
1200 O'Brien Drive, Menlo Park, CA 94025
(415) 322-8431

regarding

Programs and Funding for Youth

Position:

Disadvantaged youth will become productive and successful if trained for employment through relevant hands-on vocational courses and academic applications. Participation in quality programs which give young people the opportunity to experience success while in training will generate positive and productive attitudes, the real key to long term success.

Recision of funds for job training and summer programs for youth would be a terrible mistake with an immediate negative impact and long term repercussions.

March 16, 1995

INTRODUCTION

I will talk with you today about the young Americans I know -- young Americans who are growing up in the shadow of poverty and crime. As we debate funding and programs for disadvantaged youth, we should be mindful that this is a population in flux and that the window of opportunity is fleeting. The young person we help or fail to help today soon will be an adult. There is no chance to turn back the clocks -- no second chance to catch them while they're young. And the piper WILL BE PAID. I know their names, I see their faces, I hear their voices and what they are saying. I am with them every single day, and I can assure you that they are wonderful. I am here to speak to you on their behalf.

Many of us who are determining policy and designing programs for today's youth grew up in simpler times and easier circumstances. We worried about what college we would get into, prom dates, making the team, and pimples. The young people I know worry about those things, too -- but they also have more pressing problems -- worries like drugs and crime and gangs and guns and survival. Sometimes they seem so different from us, with their outlandish hair and clothes styles, and their unmusical music, and their colorful language. Those differences frighten other generations. But the generation gap has been with us since the dawn of civilization -- and style is not the issue. The issue is opportunity. What **real opportunities** do young people have today to reach their potential? It is up to us -- up to the American people and the United States government -- to give those we have labeled "disadvantaged youth" an advantage. We must give them a **fair opportunity** to succeed and be productive.

OPPORTUNITIES INDUSTRIALIZATION CENTER WEST (OICW)

I am the Executive Director of a program that does just that. My program is Opportunities Industrialization Center West (OICW), and I have been with the organization for twenty one and a half years.

OICWest is a private non profit job training program located in Menlo Park, CA.. We are affiliated with OIC's of America, founded in 1964 by Rev. Dr. Leon Sullivan of Philadelphia. OICWest opened its doors in 1965, the second OIC in what has now become an international network of training programs. At OICW, we train more than 2,000 people annually with an operating budget of about $2.5 million. Half of our operating funds come from government contracts and the other half comes from the private sector -- from individuals, corporations and foundations. We receive more than 2,000 donations each year from people in our immediate community who believe in what we do. They range from big donations from people like Bill Hewlett and David Packard to small contributions from the graduates of our training programs who want to give back. Our latest effort to raise operating money is to earn it ourselves -- through catering, printing and other training related enterprises. In July, we will open the doors of a training restaurant in downtown Redwood City in cooperation with a non-profit organization called Youth and Family Assistance that houses homeless teens. At OICW, we find ways to leverage our funding and stretch our dollars.

We operate three "shifts"" at OICW. From 8:30 in the morning until 3:00 in the afternoon, five days a week, we provide intensive academic, language, critical thinking, hands-on vocational training, counseling and placement services for adults and out of school youth. In the afternoon, from 3:30 - 5:30, we offer SASSY, a hands on vocational training and life skills program for at risk high school students. And from 6:30 - 8:30 p.m, we operate a full comprehensive evening program. As many as 700 people receive services in a single day. At OICW, we leverage our time.

THE COMMUNITY

OICW is strategically located on the border of the low income city of East Palo Alto. You may have heard of this little city, because East Palo Alto gained national recognition in 1992 for having the highest per capita murder rate in the country. The young people of East Palo Alto became accustomed to hearing gunshots during the night and to waking up in the morning to learn that another friend had been killed.

OICW WORKS!

OICWest represents hope. Last year, as the result of a huge grass roots fundraising effort, we opened a modern $4 million training facility. It stands as a symbol of pride and promise and opportunity.

Our logo is **OICW Works!** And it's true. OICW works for high risk clients and OICW Works for employers. Of those who enroll in our vocational training programs, more than 90% complete training and nearly 80% are placed in full time jobs with an average entry wage of $8.50 - $9.00 per hour. Why does OICW work? It works because we coordinate our training with local industry and align the skills we teach with their employment needs. OICW currently offers hands-on training for electronic and computer technicians, printers, chefs, certified nurse assistants, industrial maintenance engineers, office workers and computer operators. In addition to hands-on vocational training, we provide concurrent support classes for academic and language development, problem solving and critical thinking. OICW works because we keep our training up to date and add new courses as work opportunities emerge. OICW works because we partner with local companies through internships and we partner with adult schools and community colleges to leverage resources and staff. OICW works because the trainees themselves have a say in our programs. OICW works because we are client focused and practical. We know what it takes for someone to succeed, and we knock ourselves out to help them knock down the barriers. Some of those practical programs include a free clothing store and a child development center. Through Kaiser Permanente and local dentists and attorneys, our trainees have access to free health and dental care and legal services. We do what we can to open the doors, and more important, we teach our clients to seize the moment and walk through those doors of opportunity.

OICW works because we have an ATTITUDE that works, and when our trainees leave our center to begin new jobs, they have the right kind of attitude to succeed. OICW Works because we believe so irrevocably in the potential of our trainees that before long they believe in themselves. Today, I want to highlight OICW programs that are specifically for youth. Because of time constraints, I will limit my discussion to two programs: SASSY (School After School for Successful Youth and SYETP (Summer Youth Employment and Training).

SASSY (School After School for Successful Youth)

The need for SASSY became obvious when OICW was operating a program on high school campuses called TOP (Teen Opportunity Program). The students we tutored and counseled were so desperately behind in their high school credits that even if they tried their hardest, they had no chance of graduating on schedule. They needed a chance to catch up. An OPPORTUNITY.

We gave them that opportunity by establishing School After School at the OICW training facility, right in their own neighborhood. By coming to SASSY after their seventh period classes, they could learn a vocational skill, work on academic competencies to pass their graduation proficiency tests, establish a practical post graduation plan, and earn up to 10 credits a semester toward graduation. (Credits are possible because OICW is accredited by WASC, Western Association of Schools and Colleges.) We announced the opening of SASSY and the kids arrived in droves -- on school buses, in cars, and on foot. These are high risk kids I'm talking about -- disadvantaged kids -- the problem kids -- the losers-soon-to-be winners who were coming to school AFTER school. Making an extra effort. All they really needed was a chance.

Now the onus was on us. How could we **keep** them interested and motivated -- this generation of instant feedback and MTV and sound bites? We didn't want to let them down -- we didn't want to lose them.

What we discovered is that these difficult kids aren't so difficult after all when they are doing something in which they see relevance. In printing, their first project is to develop a personal business package -- letterhead, envelopes, a memo pad and business cards -- from design through all the stages of pre press and press, all the way to shrink wrap. I cannot tell you how "cool" it became to pass out calling cards bearing personal logos and their own names. In Culinary Arts, they cooked foods they had never heard of before -- and they proudly offered goose pate, duck sausage and real homemade pizza to eager and hungry friends. The electronics trainees repaired a color television set destined to be raffled off among classmates. They learned the importance of quality control because they knew it might end up being theirs. The Industrial Maintenance trainees built a community bulletin board for City Hall, and their names are etched in the wood. Clerical trainees produced a SASSY newsletter.

I wish you could see how busy they are. I wish you could see how enthusiastic and motivated they are -- these disadvantaged problem kids people are ready to write off!

SYETP (SUMMER YOUTH EMPLOYMENT AND TRAINING)

The vital element, I repeat, is RELEVANCE. Anyone who has heard a teenager whine, "Why do I need to know that? I'll never use that again in my life ... " will be happy to know that such complaints created the basis for our summer programs. We decided to prove to our summer youth participants that education IS REVELLENT.

How do we do it? We apply academic skills to practical tasks. And we do it IMMEDIATELY, so that the application of that skill makes it undeniably RELEVANT and easily remembered. If we are teaching ratio and proportion, we send them to Culinary Arts to increase and decrease a recipe -- to printing, to enlarge or reduce an image -- and to Maintenance, to reduce the scale of a play house into a doll house they will build for the Child Development Center. The same sort of reinforcement is used for fractions and decimals and percentages -- for measuring and for converting metric and ... and ... and ...

I wish you could see them learn. I wish you could see those gorgeous smiles. I wish you could see for yourselves what happens to disadvantaged kids when they get the advantage.

If I could charter a plane and take all of you to California to see our kids, I would. Because I know that if you were to meet them in person -- if you were to see the promise they hold for tomorrow -- you could not shut the door of opportunity in their faces.

The young Americans I know -- the ones I share my life with -- need a chance. Please do not rescind funding for job training or summer youth programs. Don't pull the rug out from under them, just when they are getting on the right track.

THANK YOU.

Youth Demographics

OICW Youth Demographics	SASSY 95		FY 94-95		FY 93-94		FY 92-93		TOTAL	
	Number	%	Number	%	Number	%	Number	%	Number	%
Age										
14	1	2%	0	0%	0	0%	0	0%	1	0%
15	5	8%	0	0%	0	0%	0	0%	5	2%
16	20	33%	1	2%	4	7%	0	0%	25	12%
17	25	42%	8	15%	13	22%	2	5%	48	23%
18	6	10%	8	15%	8	14%	4	9%	26	12%
19	2	3%	7	13%	13	22%	18	42%	40	19%
20	1	2%	15	29%	11	19%	12	28%	39	18%
21		0%	13	25%	9	16%	7	16%	29	14%
Total	60		52		58		43		213	
Education Level										
Dropout	9	15%	19	37%	26	45%	16	37%	70	33%
Student	48	80%	1	2%	2	3%	2	5%	53	25%
HS Graduate	3	5%	30	58%	30	52%	25	58%	88	41%
Post High School Attendee		0%	2	4%		0%		0%	2	1%
Total	60		52		58		43		213	
Family Status										
Single Head of Household	3	5%	14	27%	9	16%	11	26%	37	17%
Parent in a Two Parent Family	1	2%	4	8%	3	5%	1	2%	9	4%
Total Parenting Household	4	7%	18	35%	12	21%	12	28%	46	22%
Ethnicity										
Black	29	48%	21	40%	19	33%	14	33%	83	39%
White	0	0%	5	10%	5	9%	7	16%	17	8%
Hispanic	13	22%	14	27%	21	36%	13	30%	61	29%
Asian/Pacific Islander	18	30%	10	19%	13	22%	9	21%	50	23%
American Indian		0%	2	4%		0%		0%	2	1%
Total	60		52		58		43		213	
Employment Barriers										
Disabled	3	5%	8	15%	6	10%	3	7%	20	9%
Offender	7	12%	14	27%	14	24%	9	21%	44	21%
Reading < 7th Grade	39	65%	15	29%	10	17%	2	5%	66	31%
Multiple Barriers	36	60%	20	38%	16	28%	14	33%	86	40%
Economically Disadvantaged	44	73%	40	77%	54	93%	37	86%	175	82%

EST COPY AVAILABLE

Chairman McKEON. Thank you.

I will be going to California tonight, but not to Menlo Park, but we have heard some great testimony of tremendous programs, and after we finish the hearing process here in Washington, we are going to try to get to some of these programs. So maybe we will just divide up and some will be able to go as committee; some will divide up and go individually, but we are going to try to hit a lot of these programs, and we appreciate the opportunity.

Ms. WILLIAMS. Thank you, and we hope you will come to ours.

Chairman McKEON. Thank you.

Mr. Walker.

STATEMENT OF GARY WALKER, PRESIDENT, PUBLIC/PRIVATE VENTURES

Mr. WALKER. Thank you, Mr. Chairman.

I would just like to focus on four points this morning. First, that there is no system or coherent policy to reform or change, and I do not mean that with any irony because I think that is basically good news. It would be much harder to change and tear down a system than to start from scratch, which is essentially where we are.

I also think it is important to note that we do not have a system, not for reasons of bad intent or not caring about disadvantaged youth, but because youth policy is a relatively young activity, several decades old, and I think it was wise in a free country to try to start with small programs, even though in retrospect they look like quick fixes, to see if you could get results even though we did. So I think primarily it is good news that we do not have a system right now.

Secondly, not such good news. The research we have done over the last several decades offers no absolute answers as to what directions to go in, but I do not think that the lack of absolute answers should be confused with the fact that, as some people think, we have bad news. In fact, much of the research over the past two decades has looked at quick fix programs and asked them to perform long-term cures. They have not. To my mind, we simply had confused expectations as to what we were looking for.

If, however, you look at what these programs have accomplished over the short term while their youth were in them, you will see that they committed fewer crimes. They did not have children. They stayed in school. They did learn things.

So if we are to look at the research from the perspective of less naivete than we had two decades ago, I think that we would see that these programs, if you see them as pieces of the puzzle of human development, did accomplish things. What they did not was transform human lives after three to four months' effort.

Then I think a piece of the good news is that research does not provide us with any final answers. What it does provide us with are some directions as to what pieces of the puzzle that social policy can provide for human development, and I would say there are five of them that we have shown are important and that social policy can accomplish.

One, you can attract teenagers and youth to the idea of community building or national or community service. In Youth Corps, in Youth Building Programs around the country we see youth performing valuable services and while doing it, staying in programs and staying out of trouble.

Two, it is possible to combine work and learning, and that is a very important thing for us to find out because simply seat time in school has not proven to be a good way to attract all kids to learning.

We have put together a summer program called STEP, which is now in 175 communities, where we have combined the Summer Jobs Program with an innovative remedial education program. In all 175 communities, the average youth rather than losing learning over the summer is gaining from a half to one grade in English and math. We started out with five sites as a demonstration, expanded to 175, and the replication has shown that you can get equally good results on a large scale.

Third, youth need gap activities, and by that I mean after school and weekend. If we in the communities that they are in cannot simply provide them with positive things to do while there are negative attractors out there, we will never be able to get them involved in our work and learning system, but we can do it.

There are voluntary youth serving agencies out there from the community agencies represented here to Boys and Girls Clubs who are doing this all the time, and research shows that kids are involved and stay out of trouble while they do that.

Fourth, we need better connections to the labor market than we now have. Many of the current and past programs simply have not done that well, and that is because the labor market has changed. The labor market is growing in the suburbs, decreasing in the urban and rural areas where disadvantaged youth live. The current policies really do not encourage those two to connect.

So you can do these things. There are pieces to these puzzles out there, and I think the good news is that what they indicate is that you may not need massive change, massive bureaucracy, massive funds to get good results for kids.

The bad news is that none of the current legislation or systems, nor much of the proposed legislation or systems, would encourage any of those five things that I talked about. All of them right now are basically done either on a demonstration or exception basis and do not occur with any frequency throughout the system.

The fourth point and last point that I would make is that I think there is an important Federal role here, and that is to help us hit a middle road in social policy for youth between what I would regard as two arms of the road.

One, we have tried the quick fix way. It does not produce long-term results. It should not surprise us, but I do not think we should think we have to go to some massive sort of effort at the other end. It is too discouraging. No one believes it can be done.

There is a middle road based on research which may be the combination of these four or five components that I have talked about earlier.

Another middle road we want to hit is we do not want too much regulation in what we ask States and localities to do. On the other hand, if we could just put block grants with no sort of direction to them whatsoever, I am not sure that in 50 States and however many localities we have we will see them using the research effectively to start to build a middle road sort of system based on these components that research has shown that social policy can implement and can do.

Thank you.

[The prepared statement of Mr. Walker follows.]

TESTIMONY BY GARY WALKER
PRESIDENT OF PUBLIC/PRIVATE VENTURES
TO THE
COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES
SUBCOMMITTEE ON POSTSECONDARY EDUCATION, TRAINING AND LIFE-LONG LEARNING
U. S. HOUSE OF REPRESENTATIVES

MARCH 16, 1995
ROOM 2175, RAYBURN HOUSE OFFICE BUILDING

Good morning Mr. Chairman, Members of the Committee. First, on behalf of my colleagues at Public/Private Ventures, I want to thank Chairman Howard McKeon of the Subcommittee on Postsecondary Education, Training and Life-long Learning for the opportunity to share our perspectives on the need for reforms in programs serving disadvantaged youth.

There are many good reasons why federal social policies for poor youth should be reassessed. Efficiency, effectiveness, consistency with key social and economic trends, budget priorities, the values the policies reflect--these are checks against which no public policy should ever be immune.

American voters know that, and their belief that it is a time for a thorough reassessment--not any desire on their part to harm poor youth--is the main reason why the notion of "change" has the initiative in the current debate over social policies. Most voters don't think the status quo is working. They don't see social problems being solved, while they do feel that the stresses on their own lives are increasing.

As one who has spent much of the past 25 years with organizations that have evaluated social policy initiatives aimed at youth from poor families and neighborhoods, I think the evidence is clear that very few of these initiatives have been so effective that other approaches--sometimes radically different approaches--shouldn't be tried.

This reassessment is especially important with regard to our policies toward teenagers. For a host of reasons, teenagers are not a group for which adults have easy sympathy--in fact, each adult generation of my lifetime has had a vocal and powerful segment that considered current teenage fashion and behavior a signal that civilization was marching toward decline--and probably was the source of that decline as well.

Today's adults are no exception. Our public discussions focus on unmarried teenage girls who have babies, teenage boys who commit crimes, those of both sexes who aren't learning enough in school, gangster rap and the like. And we have policy analysts who see America's decline in these behaviors, and even its source.

These behaviors do represent serious social problems--problems that social policy should address. The voters' desire to have Congress reassess social policies is obviously intended to ensure that these problems are better addressed. Leaders of both parties have gotten the message.

They remind us continuously that these children-who-are-nearly-adults are America's future. They are in agreement that today's teenagers will confront tough, demanding, international economic forces in making a living, and will also confront a social and economic life in America that demands flexibility, mobility, sophistication and higher order skills. Less publicly--conservative, liberal or apathetic--we adults all quietly agree that it was better to be teenagers back then, not now....

So as we reassess our nation's social policies toward disadvantaged youth, under the electoral mandate of change and increased effectiveness, it is important to have a solid base for our discussion--to know what we have tried, and what we've learned. It is vital to avoid the errors of the past three decades, and build off the successes.

My reading of the record to date can be captured under three headings: absence of intention; confused expectations; and missed opportunity.

1. *Absence of Intention*. We have had federal social policies and programs of consequence for the very young (Head Start), and for older youth (Job Corps) but nothing of consequence for disadvantaged teenagers. We've mostly ignored them. There are always a few small and discrete *programs* aimed at disadvantaged teenagers --but in a country of our size, a few programs do not amount to a *policy*. The same conclusion applies to the vast majority of states and localities. Even when Congress has allowed funds from its social legislation to be used for teenagers (e.g., several titles of JTPA) or younger youth (e.g., SYETP), most states and localities do not embrace the opportunity. As I noted earlier, we adults do not readily incline toward this age group; plus, they don't vote. Thus the youth about whom many citizens and social analysts are now most troubled, and whom human development experts tell us are of an age peculiarly susceptible to rapid social change, have not been the target of important social policies aimed at improving their opportunities to become successful breadwinners and good citizens.

In general, our federal social policies for poor youth of any age--but especially for teenagers--do not deserve the label some give them: "social engineering." They are more like the quick fix of a mechanic in a hurry: a lunch here, some pre-school attention there, a burst of anti-drug or anti-pregnancy messages here, a post-high training program there. There is nothing inherently wrong with many of these efforts, but we oughtn't confuse tinkering with engineering. Whatever we think of the way many poor kids are behaving and performing these days, it is definitely not the result of social engineering.

The conclusion I draw is that it will take powerful national leadership, with some compelling ideas, to get any real change in the historical and *status quo* position of having no coherent policy toward teenagers.

2. *Confused Expectations*. The mostly mechanical fixes we have as social policies are neither as effective as some of their supporters argue, nor as dumb and wasteful as

some of their detractors say. Most of them can keep a kid in school; not pregnant; at work; away from crime--for a while. But they rarely change lives permanently. The real and larger world of mean streets, ineffective (and sometimes mean) schools, and no perceptible way out of bleak options for the future ultimately prevails in many young lives.

So, is a program that gets good behavior and results for a while for many youth, but changes the lives of only a few permanently, effective or not? The reason there are such widely disparate answers to this question—disparate answers based on the same data--is that we have confused expectations. Yet I think common sense provides the right guideline: short-term value is what you get from tinkering—with people as well as with refrigerators and cars—and shouldn't surprise anyone. The lack of a permanent cure is rarely the mechanic's fault.

The life of each of us is like a unique puzzle of many parts, all of which are important to how we turn out, very few (if any) of which alone determine that outcome. Social programs are like that, and should be held accountable for being well run, for providing quality activities, and for changing behaviors while the youth are in their grasp. Thus programs should reduce crime, violence, dropout rates and pregnancy, and should increase educational gains and work skills—while youth are in them. All these short-term positives can be toted up against the program's costs, and a determination made of its cost/benefit ratio—or worthwhileness to the taxpayers.

But we cannot expect a short-term program to transform very many young lives permanently. That will require other pieces to the puzzle—it will require a policy aimed at improving life opportunities, and at changing basic institutional practices and conditions--not simply a handful of disconnected programs. That policy would have as its building blocks (or puzzle pieces) some of the programs currently in existence. Others would not endure.

I think it will require a thoughtful statement of our nation's overall policy about ensuring that all our teenagers have the opportunity to become effective workers, providers, taxpayers and citizens, of the role social policy can play in filling out the overall puzzle, and the role communities, employers and other private and public institutions can play, before the expectations issue can be clarified, and before real and effective change can take place.

3. Missed Opportunity. Does this mean that federal social policy must become a big government, budget-busting effort? I don't think so. Mostly it requires some intention to care about these adults-in-waiting, some clarity about the proper federal role in making that intention happen, and some clarity about what pieces of the puzzle seem most critical. We start from a very low base on all these scores, so we can proceed carefully. What's most hopeful is the opportunity teenagers represent for national social policy. For teenagers are very susceptible to the lure of work in small groups, community and national idealism, future mobility and money in their pockets. Those lures can be either positive or negative. That teens are so susceptible—history, both personal, local and grand scale, provides countless examples—flies directly in the face of those who say that the "teenage years are already too late for change."

In fact they may be the very years when public social policies can be most effective. Changing family behavior--the cure that social critics on both the left and right call for to put younger kids on early good paths—is a difficult task for a country based on a belief that government should not intrude in personal lives, or in the decisions of private businesses. For those are the most efficient ways to change the lives and fortunes of families, and therefore of their young kids.

Teenagers, on the other hand, can be influenced by the opportunity to work—for their community, their nation, and their own future—and by contributing to a larger purpose. Their readiness for independence, for creating their own identities, provides an opening for tapping into their positive hopes and energies for social as well as individual goals—and thus an opening for creative and preventive social policies. It is an opening to transform lives.

Oddly enough, totalitarian regimes have understood this opening for change in teenagers—and used it for bad ends. We have not used it for good purposes, either, and now seem ready to pass it by again.

- We consider cutting out summer jobs and letting the streets have their way during a crucial period of every year. Yet summer jobs perform valuable short-term crime prevention, work habit and community service functions, and can be used to promote educational goals, as research now shows they're being used in at least 175 American communities.

- We have an employment and training policy that for 15 years has discouraged providing work experience to teenagers in areas with depressed private economies—and then we later complain about their adult work habits.

- We fail to tap the teenage desire for active idealism by expanding national service, but rather let an impoverished rural or urban neighborhood set the youthful standard of hope and faith in what a community, and nation, mean to individual citizens.

- We do not ensure that the evils of drugs and crime in these neighborhoods are countered by the opportunity to engage in positive youth activities, but prefer to cut out all those parts of the Crime Bill, and build more prisons instead. (We'll need them.)

- We do not ensure that inner city and rural youth know and experience during their early high school years the job and career possibilities outside their communities, and ensure that their early performance in the so-called "dead

> end" jobs that are available has meaning to other more desirable employers--but rather fault youths' moral fiber for not finding hope and possibility in neighborhoods that are often as bleak and intimidating as war zones.

There are a smattering of "small programs" that carry out each of the above functions around the nation. They are showcases; they neither amount to a national policy, nor are they encouraged by current legislation, or many of the new legislative initiatives. Their destruction will not amount to significant change, but only the snuffing out of small demonstrations of how various pieces of the puzzle can be implemented.

It is also perplexing that many of our national leaders would consider turning over these issues to the states, in block grants or otherwise. Opportunities and support for youth grow increasingly less equitable among our states, and these inequities are certainly beyond the states' ability to rectify or compensate for. There is an Orwellian quality to twin statements by many of our leaders: that today's social and economic challenges are novel in scope and nature, shaped by corporations and economic forces that act across national boundaries with impunity, and require strengthened national resolve, identity and expertise, and an expanded viewpoint, as well as expanded skills, by our youth--and that the solutions to these needs are best shaped separately by the 50 states, without federal guidance or leadership.

A national policy for teenagers, it seems to me, is a major challenge and opportunity for America's leadership. For teens have--as each of us may remember--the energy, hope and ambition that is the stuff of individual, local and national rejuvenation. That is why they are called on to fight our wars. Their enthusiasm for impossible tasks has not yet been depleted.

It may seem odd to call for creative social policy for teenagers at a time when so much of social policy is in disrepute. We are now as a nation disappointed with social policy--in good part because we have experimented for several decades and didn't solve, like magic, all our society's problems. But the fact is that social policy is our basic tool to counter the negative effects of a laissez-faire society and economy. That is the purpose of social policy: to complement, to counterbalance the inevitable inequities created in a free society, while affirming that society's basic values and freedoms. When our kids show impatience with a problem, we preach perseverance, and tell them to keep trying....

Our national leaders, current and hopeful, should heed that sound parental advice. Reducing the national debt (for our youth's sake), better balancing the roles of the different levels of government, cutting down bureaucracy everywhere--these are all vital goals. They should not divert us from another priority of national leadership: building our citizens' strength, our human capital, by preparing our teenage citizens, regardless of color or wealth, for their impending roles as adults and American citizens in an increasingly global economy.

New Directions for Social Policy

P/PV's experience in research, demonstration development and local capacity-building leads us to believe that there are several critical tasks that can be performed by public social policy in order to improve the lives, behaviors and performance of our teenage youth, especially those from families and neighborhoods with few resources or opportunities.

1. We need to ensure, as a matter of national policy, that all youth have the opportunity, from their early teenage years on, to experience work, both as a service to their community and nation, and as the legitimate means of earning an income. Too many youth have no such experience. Our reasons for not implementing such a policy pale compared to the social, economic and human costs of not doing so.

2. Private employers who regularly employ teenagers for brief periods of time, either full or part time--the so-called "secondary labor market"--need to be integrated into our efforts to connect and bridge the currently disconnected worlds of high school and career aspirations.

BEST COPY AVAILABLE

This labor market employs millions of youth annually, and rather than build off its strengths, social policy has either ignored or despised it. It is, for many youth, their introduction to private employment, and the shaper of their aspirations and attitudes about work.

3. Work during a youth's high school years—either in community service or commercial business—needs to be attached to learning. There are numerous ways to do so; their development needs prodding and investment from the public sector. It may be useful to try report cards that document work experience performance and learning, as well as more conventional educational performance.

4. Social policy should work in concert with localities to strengthen the aspects of communities that are known to promote positive youth development. Some of these aspects—such as increased numbers of adult relationships, "safe places" to go and some choice of healthy after-school and weekend activities—do not need large amounts of public funding, but often do need investments in community capacity to organize, carry out and monitor their implementation.

   Without a targeted commitment to enrich the "social infrastructure" and safety of distressed neighborhoods, many teenagers will be lured by those illegal activities that are available. The criminal justice system has an active role to play in this aspect of social policy, as do community residents and organizations. Social policy itself cannot bear the full costs or accountability for youth development—but does have a vital, necessary role in preventive community-based strategies.

5. Social policy mechanisms must keep pace with the changing realities of the job market, and aid—not hinder—the connection between residents of employment-poor communities and emerging job markets only several miles away. That is not the case today, as jurisdictional boundaries and lack of transportation are often impenetrable barriers between young urban and rural job-seekers and unfilled suburban jobs.

The above are examples of some major goals and functions that social policy could undertake, and which would greatly improve the opportunities and supports available to poor teenagers—and their lives. There are numerous ways to accomplish these goals substantively--detailing these options is the work of another document. There are, however, live examples out there, though they are the exception, not the rule.

The division between federal, state and local government; between the public and private sectors; and between communities and public social policy, is another issue that requires detailed and separate examination for each of the major functions I outlined above. The only things that seem certain are that national leadership is vital, and that if any institutions are to expand in capacity and resources, they should be local and community- school- or employer-based. Public leadership and investment are needed; but it is private and neighborhood infrastructure and capacity that must grow.

Last, it is not clear to us if these tasks are all best and most cost-efficiently planned and carried out by continuing attempts to coordinate among the various federal departments among whom the many responsibilities and programs for youth are now scattered. Previous coordination attempts have proven costly, time-consuming and difficult to hold accountable. Though at first blush it would seem counter to current political trends, it may be useful to consider whether a new, quasi-public agency specifically aimed at youth development could define and carry out these tasks more responsively, more cost-efficiently, and with more accountability for results. It could aggregate existing public funding and, initially, receive no new funds. The exercise of thinking through this option would at least provide a model of tasks, timelines, costs and results that could then be used to guide a coordinated effort.

The political leaders who can guide our nation successfully into the 21st century will, I think, be those who can engage large numbers of diverse youth—they are urban, rural, and of all colors--and put them to work for themselves, for their communities and states, and for this larger entity that binds us, that we call our nation. These leaders will persist in their effort to change our social policies and make them effective.

Chairman McKEON. Thank you very much.

I did not get your fifth item.

Mr. WALKER. I may have counted wrong. Community building activities, work learning, adult guidance. I skipped that one.

We have been doing much research over the past four years.

Chairman McKEON. Let me tell you the ones I have and you tell me the one I missed.

Mr. WALKER. All right.

Chairman McKEON. Youth can be attracted, number one.

Mr. WALKER. To community building activities.

Chairman McKEON. Community building. Okay.

Work and learning can be combined.

Mr. WALKER. Right.

Chairman McKEON. Youth need gap activities.

Mr. WALKER. Right.

Chairman McKEON. And we need better connections to the labor market.

Mr. WALKER. Right. Adult guidance.

Chairman McKEON. Adult guidance?

Mr. WALKER. Right.

Chairman McKEON. Okay.

Mr. WALKER. And there I think in Big Brothers, Big Sisters, and others we have models out there. It is not as easy to do as some would believe. It is not the whole answer, but you can implement it better in social programming than we have done in the past.

Chairman McKEON. Thank you.

Mr. Williams.

Mr. WILLIAMS. Thank you.

Thanks to each of you. You have been helpful.

Ms. Wang, can you tell me either what percentage or the dollar amount that New York receives from the Federal Government for job training programs?

Ms. WANG. Yes. We receive annually about $115 million, JTPA money, from the Federal Government.

Mr. WILLIAMS. Do you know what the New York share of the Summer Youth dollars are?

Ms. WANG. Summer Youth Program, we receive $35 million a year.

Mr. WILLIAMS. The House will be voting today on whether or not to terminate the Summer Youth Program. The likelihood is that the new majority will terminate the program.

What effect will that have on the kind of efforts that you are exploring with us this morning?

Ms. WANG. That will be detrimental to our city because, as I mentioned earlier in the testimony, last year we served 35,000, and that is out of 100,000 kids who wanted to be part of that. So that translates into that if there is no Summer Youth Program, there will be kids out there in the street who really would not have this kind of valuable summer work experience, and many of them we have learned from our past history, mainly when they get to work, in the feedback form that we got from the summer youth, they really found these experiences very helpful for their future work.

Mr. WILLIAMS. Thank you.

Ms. Williams, you have described some efforts that appear to work with youth. What percentage of your budget is Federal?

Ms. **WILLIAMS**. Federal, I guess about 40 percent.

Mr. **WILLIAMS**. Does the money come to you in a way that allows you to be flexible, to use it to develop the innovations that you have described here, or is the Federal money so bound in its parameters of use that you are not able to make appropriate use of it?

Ms. **WILLIAMS**. We have an SDA that is actually very flexible and cooperative SDA. We leverage, as I mentioned, our government dollars by having private sector dollars, and I think that the private sector dollars give us more of an opportunity to be creative and to add the innovative programs.

There are some constraints obviously in government funded programs, but we do not find them stifling at this time.

Mr. **WILLIAMS**. Thank you.

Mr. Walker, you make a case with which in large part I agree, and that is that we have not done an appropriate job for certain age youth, particularly the ones that for various reasons are troubled. If you could make a single change in the Federal effort with regard to youth, the various titles of JTPA that serve youth, what would that change be?

What we are considering, as you know, is a simple change that goes usually by the name of block grants to States and allow them to determine the use of the money. Is that an appropriate change or would you do something different than that?

Mr. **WALKER**. If I could make one simple change, I would insure that the money was used for work experience that started with youth at a very early age, and I would tie it to learning activities, and I would say that the Federal role should be to continue to do the development and research to help localities and States tie learning to work.

But I, frankly, think as complex of problems as youth have out there and as complex as we can make the social policy problems, that in some ways the answers are relatively straightforward for an awfully lot of these youth. Get them involved in work as a legal activity very early on. Make them see it is connected to learning very early on, and have adults around that stick with them for a while.

That will not solve all our problems, but that single change in getting the three components of the Federal system plus the not-for-profit systems working together to implement it, I think, would make an enormous difference in youth outcomes.

Mr. **WILLIAMS**. In your experience, how do you respond to the thought that if the Federal Government simply moved away from these programs, for example, the vote here today in the House to kill the Summer Youth Program, would and can and should the private sector be held responsible for providing assistance, financial and otherwise, to give these services to the youth?

Mr. **WALKER**. I think the private sector neither should nor can. You know, if you read the business page and you look at the pressures that they are under, to ask them to take on what are the proper functions of social policy to hire kids who often cannot do the kind of work and all, it just seems silly to me, and there is no evidence whatsoever that they will.

They also really cannot because the separation of the labor market from many depressed areas, which is much different than it was in the 1930s and 1940s when large industrial areas bordered on them, means there is really no proximity. It cannot be done.

Mr. **WILLIAMS**. Well, finally, Mr. Chairman, in the early 1980s we had this same consideration before the Congress, and that is: can we move this enormous public chore to the private sector?

And CEO after CEO in major companies—I am thinking, for example, of Brad Butler with Proctor & Gamble—came before this committee, sat at that table, and said to us, "It is not our job, and what is more, we do not know how to do it." So, said Brad Butler in particular, we can stop this talk about the private sector picking all of this up. We can stop this talk about volunteerism. This is a public effort; it is a public challenge, and the public ought to do it, and we should not turn to the private sector.

Now, interestingly enough, all of these years later we are right back considering dumping all of this or so much of this back on the private sector.

I would agree with Mr. Walker that that would be a mistake.

Chairman **MCKEON**. Thank you.

Mr. Sawyer.

Mr. **SAWYER**. Thank you very much, Mr. Chairman.

I could not help thinking and listening to Mr. Walker that in advocating for real connections to real world labor markets and activities to keep youth busy during downtimes and the importance of adult supervision, we could use a little of that around here, as well.

I appreciate the chance to take part in your hearings.

I hear a recurring theme in everything that the witnesses talked about. We have exemplary programs, some of which are working extraordinarily well in the settings that they are in, and we are trying to learn the lessons from those in being able to put them to use in other places around the country.

The problem with exemplary programs is sometimes they are built on the will and energy and imagination and charisma of powerful leaders, and the real difficulty becomes in either transplanting from one place to another if they are in similar settings or taking demonstration programs that have worked well on a small scale and scaling them up.

Could you talk to us, each of you in turn, about those two problems? They are not necessarily the same thing, but they are different facets of the same broader problem that we face.

Mr. **WALKER**. I would just like to say I think we greatly exaggerate the role of charisma and uniqueness in effective social programs, and that what we really have here is a problem simply that the social policy world has, unlike the business world, never taken very seriously the notion of spreading what works or replication.

I have run a business before, and you actually have in your budget, you invest when you replicate and go elsewhere. If you look at most of our public budgets, there is no investment in how you get something out elsewhere.

We took the STEP Program from five demonstration sites to 175 and got the same results, but we had to raise corporate and philanthropic funds in order to create the training materials, the curriculum, the staff, in order to go out and train localities to do that.

You just do not see that with most demonstration programs. So I think it is more a matter of taking it seriously, and I think it is one of the things that is puzzling in many of the policy debates today. On the one hand, we want to be efficient and use our money for what works, and on the other hand, we want to decentralize even more and push things to States and localities.

I think much should be decentralized, but the whole secret to efficiency in spreading what works, as McDonald's or anybody will tell you, is having a good central control and training mechanism for at least those things that work.

So I think it is more doable.

Mr. SAWYER. Thank you.

Ms. WANG. I would like to share with you what we have been doing in New York City in addressing your concern. One, I think that we at the local level have to be held accountable, and that is exactly what we are doing. If you are not doing a good job, you should not be providing that. I think that is one thing.

The other thing is that if they do have wonderful programs, which we do see a lot of wonderful programs there, and we want to replicate that, one of the things we have found is that many of them have lost a lot of what we call ability to be innovative because there are so many rules and regulations that prohibits them from doing all of these wonderful things.

So I think that is another way that we really should look at the rules and regulations, and then one of the things that New York City is always advocating, especially our mayor, is to hold us accountable. Let us be responsible for the outcome, and then we will come up with rules and regulations, on one hand, to protect the integrity of the program and, on the other hand, to make sure that we allow that kind of innovative and business partnership.

Because a lot of business has told us, "We do not want to do business with you because you have too many rules and regulations there."

Ms. WILLIAMS. I would agree with Mr. Walker that a good program can be replicated as long as we are able to focus on the elements that make it work and really replicate those and make sure that they are in place in each of the programs.

I would also like to say something again about the regulations that have been brought up. I feel that the constraining regulations should be relaxed. We are not stifled by them too badly, but they really should be.

For example, in the Summer Youth Program we can only place people in programs that have public funding. There are many CEOs who will not hire summer youths who do not want to have volunteers out there and who do not want to contribute to programs. There are also others who do want to do those things, and I do not think that they should be prohibited from doing so if they are willing.

Mr. SAWYER. Let me ask you each one very quick question. If what we are supposed to do is to be able to replicate to measure those elements that make these programs work, what should we measure? What should we measure, if we are not going to set rules but simply measure those things that succeed?

Ms. WILLIAMS. Something that takes time and money is that we need to measure long-term results, and that requires some research.

Mr. SAWYER. Long-term results, long term.

Ms. WANG. I would like to see that not only that we measure not just statistical things, like number of placements, job retention and wage, which are critical, but we also need to assess the quality of the program because many times government just looks at the number and statistics, and that does not represent all of the quality of the programs there.

Mr. SAWYER. Mr. Walker.

Mr. WALKER. I think we have to learn better how to measure shorter term things. While in programs, we should be able to see, as I said, less crime and certain gains, but we cannot hold these things to long-term results all of the time. We are going to have to start building a system of human development, and that will have pieces to it, and each piece will have its functions.

Mr. SAWYER. Thank you.

Thank you, Mr. Chairman.

Chairman MCKEON. Mr. Gunderson.

Mr. GUNDERSON. Thank you, Mr. Chairman.

I am quickly trying to review your testimony to catch up here. I apologize for the delay.

As I read your testimony and I see you have participated, all of you, in Federal programs, talk to us about your experience in dealing with Washington. I mean some of these programs, as you know, are in the Department of Education. Some are in the Department of Labor. Some of them come through your States. Some of them come directly to you.

How do we improve the delivery system, in your opinion? What can we do in that regard?

Ms. WANG. I would like to see a Federal Government which is a lot more sensitive to the local needs. At this point I believe only starting about last summer, we have had a lot of communication with the Federal Government, U.S. Department of Labor in this case, really advocating about the needs. In the past it has always been everything goes to the regional office, and then the regional office will send it to the different States. A State government will certainly send it down to the different SDAs.

You can just imagine one little SDA or whatever bulletin board that they talk about. It may take a couple of months, in some cases several weeks, for them to arrive from Washington through all of these layers down to the local SDAs. So that is only the top-down approach.

And bottom-up is something that we really were very, very pleased to see the U.S. Department of Labor finally starting to have this nationwide dialogue that happened last summer and last spring. I think it is very critical that we need to know because every locality is different: urban, suburban, and rural areas. We all have different needs. They cannot have a one size that fits all type of policy that applies to all of us there.

Mr. GUNDERSON. That is helpful.

Ms. Williams.

Ms. WILLIAMS. I deal very seldom directly with Washington because my interaction for government funding is with our service delivery area. I have been with OICW, however, for 21 years, and I can remember back to when we had bulk funding from the Department of Labor, and in my memory those were simpler times.

I feel that a great deal of the administrative money is taken off the top as it goes from Federal to State to county, et cetera. I think that Washington as much as possible should have legislation which allows for flexibility and for local interpretation and local application of funds to fit the community's needs.

Mr. GUNDERSON. Does your vocational funding come from the Department of Education or the Department of Labor?

Ms. WILLIAMS. We have mostly Job Training Partnership Act funds, and we also have some State funding from Department of Education, Vocational Rehabilitation, Employment and Training Panel in California, and Office of Child Development because we operate a child development center.

Mr. GUNDERSON. Thank you.

Ms. WILLIAMS. So it is a combination of State and Federal funds. JTPA is our most significant provider of training funds.

Mr. GUNDERSON. But you run vocational education programs, as I look at your testimony. You talk about your vocational training programs. Are those more academic or are those more——

Ms. WILLIAMS. Those are more hands on. We have our print shop. Our printing class is an operating print shop, and we actually earn revenue from some printing. That is another way that we have to earn operating funds.

Our culinary arts, we cater. We serve lunches to our students, and we are opening just a regular operating restaurant downtown.

So it is hands on. We do have concurrent academic and language training. We have a large population in California with limited English capabilities, and we find it very necessary to provide academic and language training concurrent with vocational training.

We have internships with local companies so that it is very hard to stay on the cutting edge with the costs of new equipment, and so we send people out for internships who are paid anywhere from $8.50 to $12 an hour during a three to six-month internship with local companies.

Mr. GUNDERSON. Are all of your participants post-high school?

Ms. WILLIAMS. No, they are not. We have in-school programs and out-of-school programs.

Mr. GUNDERSON. Do you get any of the funding from the School-to-Work Program? Do you know?

Ms. WILLIAMS. Currently, no.

Mr. GUNDERSON. All right. The reason I am asking these questions is obvious. I think we have a confusing set of Federal programs. The duplication is, in my opinion, embarrassing, and I am trying to figure out how we help you in this regard.

Mr. Walker, I am almost out of time. So you have the rest of my time to tell me how to improve this delivery system.

Mr. WALKER. Really in two areas. One, at the bureaucratic level, my experience and with most of the programs we have dealt with the problem is not over-regulation in the discrete, finite sense.

There may be too many regulations in terms of pieces of paper, but frankly, there is not the Federal staff to really quickly implement all of those regulations and be on top of it.

The bureaucratic problem is the slowness of the Federal system in responding and clarifying in time for a locality to know whether what it is doing is within the regulations or not.

The second problem is the one you mentioned, and I consider by far the biggest one. That is the lack of coherence. When you do do something, let's say, one of these women have an effective program in a Labor Department funded program or Education Department, you send it up to that department, and it has no capacity to really do anything that affects all of the other departments that are dealing with that same group of kids. So it is like sending it up into nothing, and I think that is very depressing for the system below.

And I certainly know as somebody who has done a lot of research and demonstrations over the years, we have become less eager to take our results to the Federal level to get things done than to work with the private and philanthropic sector, not because there were not a lot of well intentioned and good hearted people, but the system is entirely too confusing and has no overall coherence.

Mr. GUNDERSON. Well, you all have given me a good reason to continue to advocate the merger of these two departments so that we get these programs all under one roof and make it easier for you. So thank you very much for your answers.

Chairman MCKEON. Thank you.

Mr. Green.

Mr. GREEN. Thank you, Mr. Chairman.

I would also like to thank the Chair for these hearings. I have lost count, but this is four or five that, I guess, we have had, and I think we are learning from each of these hearings from the panelists who come in, and I would like to share Mr. Gunderson's concern about the confusion.

Hopefully we do not have to merge the departments, but we can merge functions and put them together.

All three of you testified concerning the benefit of the Summer Job Program, each of you the success that you have had, and I know our Ranking Member explained that today we may be very well zeroing out. So we are going to give you as much flexibility as you could ever have on that. You are not going to have any Federal guidelines or money. So you can fund it all from New York or California.

I guess I appreciate your being here because you are very timely in the suggestion on that because some of us are really concerned about losing those 2,000 jobs in my own district, 6,000 in the City of Houston and Harris County, Texas, and I know hundreds of thousands around the country.

But that is not really why we are here, although I am glad you are here today and so when you leave, you may want to call your Members of Congress and explain to them that we want local control, but we really do not want that much; that we would like to at least have the dollars to come to help us to provide that funding for those children.

Ms. Wang, I was looking at your testimony, and you talked about the issue of block grants, and that is one of the things that I know we are hearing so often now, is that block grants made directly to the locality is the most effective form of funding because they provide that flexibility. I do not think we would disagree with that statement.

Are you actually talking about bypassing the States then and going directly to, for example, New York or Houston or L.A. instead of going through Sacramento or Albany?

Ms. WANG. Yes. The reason why our city is taking that position is that what we are afraid of is right now JTPA is some sort of a block grant. They have what is called a formula grant, but then what we are worried about is what will be a benefit of coming down to States and then come down to us again. It will be the same thing.

What we do not like to see is another set of bureaucracy still coming down from our State, but even if the Congress, as we have been hearing and talking to a lot of Congress Members, if you really feel for whatever reason that you still want to go to the States, the critical thing is that the local needs must be addressed because the worst thing is, once again, that you look at entire States, SDA, and thinking that all of the rules and regulations that the State government in this case is developing will apply to all of us, and that is the one that all localities, I think, are very concerned about.

That is the one size fits all type of concept, which will hurt us tremendously there.

Mr. GREEN. Okay. So if in the block granting idea then we do use the 50 States as incubators, but we still need to make sure that flexibility is pushed down to a New York City as compared to an Upstate or a City of Houston as compared to the suburbs or rural part of Texas.

Because I know we have that same frustration. Sometimes we have county officials in our rural counties making decisions on some of our job training issues in an urban area. They have some unemployment and problems in rural areas, but again, it is so different from an inner city where you have it.

Ms. WANG. I think the size has a lot to do with our position as well. Our city is so huge. That is why it will be very difficult if we, you know, have to go through another bureaucracy, and that is what we are saying.

The mayor has always been calling to hold us accountable and let us really hold the system, the local system, because we know the needs of employers. We know the problems with our customers. Let's set up a work force development system.

We are talking really from the big cities' perspective which has a lot of problems there.

Mr. GREEN. Let me ask each of you in whatever time I have left, and Mr. Walker touched on it a little bit, in absence of attention and talking about disadvantaged teenagers because I know we have so many programs that you may be able to access, obviously the Summer Job Program for six weeks during the summer, but the Americorps that is still so new, and I know in New York and California and, of course, in Houston we have it.

How have each of you been able to access through the Americorps Programs some of the things that they can do with taking advantage of allowing disadvantaged youth to, like you said, Mr. Walker, serve their community? They really want to from your testimony, and I have noticed that myself, and each of you if you have been able to access that not only for the salary they may pay, but for the benefits that they could do, have you been able to access Americorps through your agencies?

Ms. WANG. Not through our respective agencies, but through our city, yes, we do have some Americorps. For example, up in the Bronx I know that this just started not too long ago.

Mr. GREEN. Yes, it is fairly new. I guess the same frustration that Mr. Gunderson has is that is also a separate system that we might need to look at and say, well, we have a youth that could also provide something in that.

Let me get the other two witnesses if you have been able to access.

Ms. WILLIAMS. At this point we have not accessed Americorps for our program. We have accessed other programs where young people are volunteering and putting in time. One that we have used is the Jesuit Volunteer Corps, but we are interested in Americorps. We have not done it yet.

Mr. GREEN. Okay.

Mr. WALKER. We have several foundation grants to assess how well Americorps is working, particularly as it works from the Federal level through the States down to the localities. What we have seen is that it is used very differently. It certainly is not in all States or communities being opened to or offered to disadvantaged kids. You know, in some it is much more well off kids coming in to serve.

I am sorry that Americorps has become such a subject of political debate because of the larger issue I raised in my paper in that what we have seen is that teenagers are particularly susceptible to being attracted to national ideals and community service, and it would seem like a vehicle like that at a time when our country's economic problems are international in scope could be used very well in disadvantaged communities.

But what we are seeing at the administrative level is this is a difficult kind of idea to work out so fast, going through all three levels of government. When it does hit the ground, it is used very differently, but it is used.

Mr. GREEN. Thank you, Mr. Chairman. Thank you for the time.

Chairman MCKEON. Thank you. Mr. Riggs.

Mr. RIGGS. Thank you, Mr. Chairman, and good morning to our distinguished witnesses.

I, too, apologize for coming in a little bit late from the House Republican Conference on our welfare reform package, the legislation coming to the floor next week.

In reviewing your testimony, there seemed to be some common themes that run through your testimony that would appear to be, in a broad conceptual sense, consistent with the policy direction of this subcommittee. So I would like to focus in on a couple of those areas which I believe, as a Member of this subcommittee, will have to ultimately drive our crafting of any job training legislation.

First of all, you all point to the importance of timed work experience with applied academic learning, in essence, a school-to-work model for both in-school and out-of-school youth, and I might parenthetically add that in some private conversations that we have had with experts in the employment and training people, people such as Robert T. Jones, who now, as you well know, is the Deputy Secretary for DOL, now with the National Alliance of Business; he, too, has stressed that point, that linkage, if you will, between core academics and work experience.

Can you explain why you think this model has been successful, and do you feel it also works for out-of-school youth?

And lastly, should we use that as the fundamental building block for drafting our legislation in this area, that idea of integration? But I would particularly like you in your response to again focus on how we would consolidate through this school-to-work model the existing programs for both in-school and out-of-school youth.

Ms. WANG. In our city we actually started the school-to-work transition type of a model in our out-of-school JTPA Title 2(c) program four years ago, and we found that very, very successful.

What we were very concerned about when the school-to-work transition piece came up just recently again was that most of the money went to the education institution, like the local Board of Education, and what we had found out two years ago was that, gee, there was an absence of out-of-school youth. It was focusing on only in-school youth, and we were very concerned.

We have been able to work with our local Board of Education and partners to let them know that you really should not just look at the school-to-work as a regular, you know, for decades the vocational concept. You really have to bring the private sectors, children working with them in the developmental school-to-work.

To answer your question, the school-to-work actually works for both the out-of-school youth as well as in-school. In my testimony there is some example. Many successful programs that deal with out-of-school, and I am talking about 90 percent of them are minority youth; 75 percent of them are high school dropouts. These are the people that we found out that they work beautifully when they spend maybe three days a week, you know, in the school setting and then two days a week of work or vice versa.

Some of them actually send them in the morning, you know, to the work sites and then they come back to the classroom. All of these wonderful school-to-work models are what we found that the kids love it because they fail in the first chance system. They hate to spend 40 hours a week in the classroom setting. They want to go to work.

I visit a lot of programs. They raise a lot of questions to their teachers. This is what we learned from you, and then this is what we learned from our supervisor.

Mr. RIGGS. Let me give Ms. Williams and Mr. Walker a chance to respond to that question, too.

Ms. WANG. Sure.

Ms. WILLIAMS. In my testimony I discuss the relevance of education through hands-on application for in-school youth. I would like to now say something about our out-of-school youth programs.

As I mentioned, our training programs are set up in real life situations, and our students find out what it is really like to do the work before they go out on the job, so that they are not likely to fail when they get into the work place.

An example I would like to use is in our printing class when we had a huge job that they had to do. They learned the pressure of deadlines, and that is what is going to be real when they get out there in that kind of a business.

A few of the students, about four students, and a teacher stayed up all night to finish a job because it was due, and I went into the classroom the next day. I really wanted to apologize to them for putting them through that kind of duress, and the reaction from them was, "Look. This is the biz. This is what we are going to have to be doing. We need to find out now because if this is what we are going to do for a living, then we have to be able to handle it."

So I think it is important to have real situations come up when they are still in training so that they do not go out into a work situation and fail.

Mr. RIGGS. I wanted to get a response from Mr. Walker, but I also want to get to one other question in this first round, and I will hope to be able to stay for a little while and maybe ask other questions.

But starting with Mr. Walker, let me just ask you point blank: do the three of your support the establishment of a local employer led or employer driven work force development board to oversee all work force preparation programs, adult and youth, in the local communities served by your agencies?

Mr. WALKER. No. I will put that simply. In fact, that is very much what JTPA tried to do, and very quickly we found out that it did not serve youth well.

The issues are a little too complex for youth. They have as much to do with human development as they do with ultimate productivity. You certainly want employers involved and with a key role, but that is exactly what we tried 13 years ago, and the findings are pretty clear on it.

So I would say, no, not put that simply.

I would also just want to add to your previous question it is interesting that we view combining work and learning as so much innovation now when really for the history of humans that is how most people do learn, and only in the last 30 or 40 years has this country really expected the majority of its people to graduate from high school based on seat learning and through books.

So I hope we can relearn that age old lesson.

Mr. RIGGS. My time has expired, but could I give Ms. Williams and Ms. Wang a chance to respond very quickly?

Ms. WILLIAMS. I would say that the employer community needs to be involved. I do not know if they need to be the leaders, but most definitely they need to be involved. They are the end users of our product and have to have a say in what kind of skill training and skill development they have.

Ms. WANG. I also support that. They should not oversee. As I said, the local elected official should be the one that oversees and can be held accountable, but we absolutely need the input, policy, and guidance from the private sectors.

Mr. RIGGS. Thank you.

Chairman MCKEON. Thank you.

Mr. Reed.

Mr. REED. Thank you, Mr. Chairman.

I want to commend you for your excellent testimony. I think my colleague, Mr. Green from Texas, laid out the most immediate pitfall, which is the limited resources to do the job regardless of whatever programmatic shape we finally evolve into, but let me just touch on a couple of themes.

Mr. Walker, I think, expressed a notion that I agree with, which is we have to start targeting these programs to much younger children, which I think implicitly means we have to have a closer working relationship with schools rather than the postgraduate training programs.

And a second point I would just raise for your comments would be it seems to me sometimes we sort of structure technically sophisticated training programs, but we miss out in the basic skills of showing up on time, being punctual, you know, sticking your shirt in and things like that, and I wonder in terms of your experience what your observations would be on those two points, starting younger, teaching more the skills of the work place rather than specific techniques and the association with education.

Mr. Walker, if you would start.

Mr. WALKER. Well, as you said, that was a big part of my paper because I think starting younger is vitally important, but I also think that we should not take the position that some people are taking now that kids are already too old to start with when they become teenagers. That is actually a real point at which you can grab kids and make change.

Your second point was? I am sorry.

Mr. REED. The second point, and I do not know; I am asking this in a very sincere way. There might be a dichotomy between the technical skills you need, how to operate a computer, knowing algebra, knowing business math, and much more fundamental skills, being on time, being cooperative, and knowing how to understand and take instructions and give instructions.

And it seems to me that sometimes there is the tension between designing programs that are very sophisticated or designing programs that will reach particularly younger children of just basically showing up on time and being disciplined.

Mr. WALKER. I think you have hit on the reason why a totally employer-led system and why JTPA did not end up serving youth so well, because if you are running very short programs aimed at placement in the private sector jobs, your supervisors and adults who are running the programs are so focused on technical skills, they really do not have the time nor see it as their job to provide the kind of regular adult guidance that you would get when you would work with 12 and 13 year olds on very basic things.

So the system would have to be constructed differently in order to provide that, and I think any youth development person would say what you are saying what is important to do with young kids.

Mr. REED. Ms. Wang or Ms. Williams.

Ms. WANG. Yes. Our employers' survey that I referred to in the testimony earlier, the 3,000 businesses ranging from large, medium, to small, actually give us those very specific answers. They feel that absolutely skills, occupational skills are important, but what is even more important is this kind of work attitude.

Some employers we found, the large ones, very interestingly told us, "Just give us the people who actually have the right attitude with some basic skills. We would rather train them the sophisticated skills that you talk about." Basic orientation about occupational skills is wonderful, and they like us to give them that kind of orientation, but they want to give them that kind of specific training.

Smaller and medium size companies are a little bit different though. They do tell us that we would like to get both.

By the way, I have brought some copies of our employer survey, and I would like to share that with the committee.

Mr. **Reed**. Thank you.

Ms. Williams?

Ms. **Williams**. I agree that we need to start younger, but I also cannot give up on anybody. It is not unusual for us at OICW to have parents in the adult program and their children in our youth program. So we do not give up on people, and I do think you can teach an old dog new tricks.

The association with education is very important. Some of the work techniques we use at OICW are corny and old fashioned, and they really work. We have a Trainee of the Month Award, and people covet that award. There is all kinds of clapping and hoopla that goes on.

We have a 100 Percent Club, which every month people who have 100 percent attendance are recognized in front of the group. We have awards given to the classroom that has the best attendance, and attendance includes punctuality.

So it is very important, I agree with Ms. Wang, that employers are looking for someone who will show up on time and have the basic work skills, and it is something that we can integrate into our technical training. It does not have to be separated out, but is part of the whole effort to prepare people to be successful in the work place.

Mr. **Reed**. Let me just return because I think this is an interesting theme. Sometimes we hear ridicule of programs that emphasize sort of the attitudinal aspects of work. It is easier, I think, to defend a program that they can see a program of instruction and at the end they can take a test and they get an A, B, C in computer graphics or whatever, and just again, your observations because I think what you are saying is that these programs, these attitudinal programs, building up esteem, building up just habits of work, are sometimes more important than whatever technical training you have at the end, be it a draftsperson or an engineer or a horticulturist. I do not know, but, again, any further comments on that line?

Mr. **Walker**. I found it that way with my own kids. So it does not surprise me that the programs need to be structured that way.

Ms. **Williams**. I think the people need both, absolutely need both. They need to have a good attitude. They need to believe in themselves. They need to want to do the absolute best job they can, but they have to have the skills to be able to do that, too.

Ms. **Wang**. Especially with today's competitive market. A lot of college graduates we found or even people with an A.A. degree, Associate's degree, two-year college graduates, they are looking for jobs the high school graduates have been looking for. So they really do need to have the technical skills.

But then what is more important is this kind of attitudinal training.

Mr. REED. Thank you very much.

Thank you, Mr. Chairman.

Chairman MCKEON. Thank you.

Mr. Roemer.

Mr. ROEMER. Thank you, Mr. Chairman.

Mr. Walker, I noted in your testimony that you say on page 3, and I quote, "We have had Federal social policies and programs of consequence for the very young in Head Start, for the very old in Job Corps, but nothing of consequence for disadvantaged teenagers. We have mostly ignored them," unquote.

How would you advise this committee to fill in that gap or hiatus, and is it the Federal Government's job to do that? Why hasn't the State or locality done that? Why hasn't the private sector filled that gap? And is that the role of the Federal Government? Is that upon our shoulders? Nobody else will do that; nobody else has done that up till now?

Mr. WALKER. I do not think it is nobody else would do it, but I think it is a combined responsibility, and in part, because of the reasons I laid out in the paper, I think they are an easy group to ignore. All adults find teenagers less sympathetic than real young kids and of less concern than young adults who are on the streets. They are just not an easy group to relate to, and policy does not relate to them well.

Secondly, the last 20 years we have spent trying to put into effect social policy that only measured really end term results. Well, that is easier to do if you are having policy for 22, 25 year olds, where you are wanting to see that they get a job, how much do they earn. For 13 year olds, for 14 year olds, it is much more difficult to weigh what works or not.

So I think there are a number of reasons why we have, you know, stayed away from them, have not put our emphasis on them, and I think those reasons will persist and is why it will take some Federal leadership on this. I think the working out of roles is a complex matter, but I do not think that we are going to see youth development efforts starting with kids who are 12 and up happen with any great regularity unless there is some Federal leadership.

Mr. ROEMER. And you say that later on in your testimony. "This will take powerful national leadership." You do not see it coming from anyplace else?

Mr. WALKER. No, I do not. I think even when it has been possible, for example, under JTPA when the summer program was made so that localities could bring in 14 and 15 year olds, almost all of the research showed that that was not used with great frequency in most localities. They preferred to deal with older kids. Employers prefer to deal with older kids.

So it really is a social policy, public policy function when you are starting to deal with younger kids, and I think it is going to take Federal leadership, certainly jawboning, some investment in it, some push that way just to get localities and States to see the importance of that happening in order for our young people to develop and meet the needs of this new economy that they are facing.

Mr. ROEMER. And what is the single best thing that the Federal Government can do to make this push?

Mr. WALKER. Well, as I said before, I think the single most important thing to start with are to make some funds available, both development funds and assistance so that both schools and community-based organizations can insure that kids have an opportunity to do work, community service work, wage earning work, at a very young age, and that it is combined with learning and with adult supervision. I think that is the single most important thing.

We lost that starting in 1982 when JTPA was put into effect, when our Federal employment and training system discouraged giving work experience to youth.

Mr. ROEMER. So we have got a big gap here. We need the Federal Government to step in is your argument.

Ms. Wang, on page 3 of your testimony, you say, "We urge Congress to make an investment in our Nation's future by restoring the funding for the Summer Youth Employment Program." Tell me why that program is so important.

Ms. WANG. As I mentioned earlier, every year when we have this kind of Summer Youth Program a very large number of kids participate. Last year it was 35,000. We used to serve even more. Overwhelmingly these kids, and we have followed with those people who have participated in the Summer Youth Program many years ago; we have found out that they really felt that this type of experience, even though it is only a seven-week experience, gave them the very, very basics for them to enter into the world of work. So we really know that this is very important

And 35,000, by the way, is out of 100,000 people who want to get in every single summer.

Mr. ROEMER. We have heard some testimony that the six or seven-week Summer Youth Program should be at least eight weeks. Do you agree with that? Do you think that the time frame is——

Ms. WANG. If you have the resources, we would love to. We reduced to six weeks because we had some, you know, reduction of funding a couple of years ago, but we now go back to this year we feel that quality is more important. So we actually were planning to go back to the seven-week training program, but now that the funding is in jeopardy, that is why we really urge to have for the SYEP funding restored so that we can serve the 35,000 people that we plan to.

Mr. ROEMER. Finally, in your testimony you say that although you are for block grants, you are for them with a certain amount of caveats, that they be tailored to the demographics of individual localities. I have heard from a host of my people back in my district and in my State, Republicans and Democrats alike, that they are very concerned when they come from small cities and towns that a block grant delivered to the State capital may create more bureaucracy, take more money off the top.

Some of these cities have entitlements already. They get direct Federal aid to the cities. They do not have to have it rerouted through Indianapolis. Now we would reroute some of this money through bureaucracy.

How do you feel about that?

Ms. WANG. We actually, from the big city perspective, we think it is even more important that if we could get that directly from the Federal Government so that we could meet our local needs. We could really have the flexibility in designing the work with the government system.

But then we also will have the rules and regulations developed and being held accountable for the, you know, Federal legislation instead of going through another bureaucracy.

Mr. ROEMER. Thank you.

Thank you, Mr. Chairman.

Chairman MCKEON. I am in the process of putting together a book. Last year in our session we came up with some terms, managed care and others, as we were going through health care, and I think probably every time we would use one of these words it would mean a different thing to every different person, and some of the words I am putting in this book are going to be one-stop, block grant, devolution, accountability, voucher, proprietary, words that have a meaning to me.

You know, Mr. Roemer who has just left was talking about block grants. If I asked each of you what a block grant was, you would probably have a little different definition, and this is something that we will struggle with because I am 100 percent in agreement with him. I mentioned before I served on a city council and on a school board, and I had every bit as much distrust of the State government as I did of the Federal Government.

So I think as we go through this process, there will be maybe definitions of some of these words, and we will grapple with what they mean and not just throw them out thinking that everybody understands what I am saying when I use these words.

I really appreciate your testimony, and each of you being here today has hit a little bit different angle, and you have had a chance to respond to questions. We have had a chance to talk.

As you leave, you will probably think of some other things that you would have liked to have said. Feel free to contact us to give us more information as we go through this process. It will be very important that we have this dialogue because this is an ongoing process. It is not going to be solved here today or even as we go through and write up or mark up legislation. This will be, I think, a living process.

One of the themes that is guiding us is to try to empower local communities, and I think you have each shown that you have the expertise and ability, every bit as much as people in Washington, to run these programs or more so, and this is, I think, the whole purpose of doing this.

But, again, accountability, flexibility, these are terms. How do you do this? I liked the example of McDonald's. We can also give other examples of franchises that have not worked. You know, what are the keys? What makes a program that you can take it and run it nationally and have a teacher in Montana or a teacher in Miami or a teacher in Los Angeles be able to take that program and breathe their life into it to make it really work for what we are all trying to achieve?

Again, thank you for being here, and we will excuse you at this time and go to our second panel, and thank you very much.

Ms. WANG. Thank you.

Chairman MCKEON. Welcome to our second panel. We have today Mr. Charles Masten, who is Inspector General, U.S. Department of Labor, Washington, DC; Mr. Charles Tetro, President, Training and Development Corporation from Bucksport, Maine; and Ms. Cathy Clendenning, participant of Penobscot Job Corps Center also from Maine, Bangor, Maine.

And we will begin with Mr. Masten. Now, we have your testimonies and if you could just summarize those to leave more time for discussion and questions, we would appreciate it, but we will start with Mr. Masten.

STATEMENT OF CHARLES C. MASTEN, INSPECTOR, U.S. DEPARTMENT OF LABOR

Mr. MASTEN. Thank you, Mr. Chairman. Good morning.

Mr. Chairman, before I go into any statements, I would like to introduce Mr. Joseph Fisch at my right, who is the Assistant Inspector General in charge of our Office of Audit. He is an expert in the area that we are going to discuss.

Before I begin making any comments, I would like to emphasize the point that the comments that I make will be my comments as the Inspector General of the Department of Labor and may not be the official position of the department.

The Job Corps Program was created in 1964. The purpose of the program is to provide disadvantaged young men and women with education, vocational training, work experience, and counseling to help them become responsible, employable, and productive citizens. In its 30-year history, Job Corps has enjoyed a great deal of success. It has served as a critical turning point for the lives of thousands of young men and women.

However, as is usually the case for programs of this size and magnitude, there is need for continuous improvement. In the last five years, the Office of Inspector General has extensively audited this program. One of the most important areas that our audit identified as needing management attention has been the relatively low performance of some centers.

Our audits have disclosed that while a significant number of centers enjoy sustained performance above the national average in all or most of the Job Corps performance indicators, there are a number of centers that consistently perform below the national average.

For the most part, we found that the bottom ranked centers place fewer students upon their termination from the program, assist fewer students in obtaining their GED or in achieving learning gains, have fewer students who complete their vocational training, and have a higher rate of students whose status is unknown after terminating the program.

We recognize that there will always be centers that score below and above the norm. What is of concern to us is that there has been very little improvement among the low scoring centers and especially that there are such wide variances between those centers that perform above the national average and those that perform below it.

Mr. Chairman, it is clear that some centers have been able to do a comparatively good job while others have not. Needless to say, these variances affect the overall performance of the program.

More importantly, however, we believe every student entering the Job Corps Program should have the same opportunity to succeed. It has been of great concern to me that a student's chance to succeed may depend on which center he or she attends.

Mr. Chairman, we have also raised our concern with the department's plan to significantly expand the Job Corps Program. The OIG is of the opinion that both center performance and facility needs should be addressed before further expansion of the program is pursued.

The OIG has recently reached an agreement with Job Corps on some of the actions needed to improve the program's performance. We are encouraged that Job Corps has expressed commitments to pursue these actions to improve performance of the program, and we intend to continue to work with management to this end.

Job Corps has just announced a new code of conduct for Job Corps students. Under this new policy, any student committing any act of violence or testing positive for drugs will be automatically terminated from the program.

Concurrently, Job Corps has also dropped what they term as student average length of stay as a central performance standard. These two changes should result in problem students being promptly removed from the centers.

In conclusion, Mr. Chairman, the Office of Inspector General looks forward to continuing to work with the department and the Congress to insure the success and cost effectiveness of the Job Corps Program. One of the areas on which we will continue to focus in the future audit is outcomes, that is, measuring the program's return on the taxpayer's investment.

Thank you, Mr. Chairman. That concludes the summary of my statement.

[The prepared statement of Mr. Masten follows:]

STATEMENT OF CHARLES C. MASTEN
INSPECTOR GENERAL
U.S. DEPARTMENT OF LABOR
BEFORE THE
COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES
SUBCOMMITTEE ON POSTSECONDARY EDUCATION, TRAINING, AND LIFE-LONG LEARNING
U.S. HOUSE OF REPRESENTATIVES

March 16, 1995

Good Morning, Mr. Chairman and Members of the Subcommittee. Thank you for inviting me to testify in my capacity as the Inspector General of the U.S. Department of Labor. I am pleased to appear before you today to discuss our audit work concerning the Job Corps Program.

From the outset, I would like to emphasize that any views expressed today are mine as Inspector General and may not be the official position of the U.S. Department of Labor. I am accompanied this morning by Mr. Joseph Fisch, Assistant Inspector General for Audit.

BACKGROUND

The Job Corps Program was created in 1964. The purpose of the program is to provide disadvantaged young men and women with education, vocational training, work experience, and counseling to help them become responsible, employable, and productive citizens.

The Department of Labor, through its Employment and Training Administration (ETA), administers the Job Corps Program, with annual appropriations of over

$1 billion. There are currently approximately 42,000 Job Corps participants at 110 Job Corps Centers around the country. Each year approximately 60,000 students terminate from the program.

In its 30-year history, Job Corps has enjoyed a great deal of success. It has served as the critical turning point in the lives of thousands of young men and women. However, as is usually the case for programs of this size and magnitude, there is need for continuous improvement.

OIG AUDIT WORK

In the last 5 years, the OIG has conducted approximately 275 audits of this program including center financial and compliance audits, Federal program financial statement audits, program results audits, and indirect cost audits. They have been conducted pursuant to Federal statutory requirements and to provide those administering the program with information on the program's management and operations.

These audits identified weaknesses in various aspects of the program and made recommendations on needed improvements. In many cases, management has addressed our recommendations and taken necessary corrective action.

In addition, since 1987, the OIG has also issued four comprehensive cost analysis reports on the performance of the Job Corps Program. These reports, which are based on Job Corps' own performance data for each of its individual centers, have been intended to provide ETA with an additional management tool it can use to evaluate and maximize the program's effectiveness. As a result, these reports did not contain specific recommendations -- just information on the program's performance.

The most recent of these reports was issued by the OIG in 1991 for Program Year Ended (PYE) 1990, in which the OIG reported that:

1) **There were no measurable gains for 20% of the students who terminated from the program that year.** (That is, students were not placed in a job, did not return to school or enter the armed forces, did not show any learning gains, or did not attain their GED.)
2) **Job Corps did not know what happened to 25% of the participants who terminated from the program.**
3) **Only 13% of the students obtained jobs for which they were trained.**
4) **Centers that consistently performed below the national average continued to operate with no significant improvement.** This is a most important point, and I will elaborate on it shortly.

It is important to note that the results for PYE 1990 were consistent with program results for PYEs 1987 through 1989. Currently, my office is completing another comprehensive cost analysis of the program, this time through December 1994. Our preliminary findings indicate that overall program performance remains relatively the same as we reported for PYE 1990. These reports will be issued by the end of next month.

Centers Performing Below the National Average

Mr. Chairman, one of the most important areas that our audits identified as needing management attention has been the relatively low performance of some centers. While a significant number of centers enjoy sustained performance above the national average in all or most of the Job Corps performance indicators, there are a number of centers that consistently perform below the national averages. For the most part, we have found that the bottom-ranked centers place fewer students upon their termination from the program, assist fewer students in obtaining their GED or in achieving learning gains, have fewer students who complete their vocational training, and have higher rates of students whose status is unknown after terminating from the program.

We recognize that there will always be centers that score below and above the norm. What is of concern to us is that there has been very little improvement among the low-scoring centers and, especially, that there are such wide variances between those centers that perform above the national average and those centers that perform below. For example, while one center may have only 2% of students with no measurable gains, there are centers where that may be as high as 36%; or one center may place 28% of its students in jobs for which they were trained, while another may only place 4%; or one center may not know what happened to 44% of the students that terminated the program, while in another center the status of only 5% may be unknown. Mr. Chairman, it is clear that some centers have been able to do a comparatively good job, while others have not. Needless to say, these variances affect the overall performance of the program. More importantly, however, we believe every student entering the Job Corps Program should have the same opportunity to succeed. It has been of great concern to me that a student's chance to succeed may depend on which center he or she attends.

JOB CORPS EXPANSION

We have also raised our concerns with the Department's plan to significantly expand the Job Corps Program. The OIG is of the opinion that both center performance and facility needs should be addressed before further expansion of the program is pursued.

IMPROVING JOB CORPS PERFORMANCE

The OIG recently reached an agreement with Job Corps management on some of the actions needed to improve program performance. These include:

1) Adopting a new performance management system to better assess center performance.

2) Addressing problems of low-performing centers by developing a technical assistance guide to assist center operators in identifying performance problems, providing special training to key management staff, and providing certain low-performing centers with intensive on-site technical assistance for 6 months.

3) Establishing an initial 30-day probationary or trial enrollment period for new enrollees to ensure their commitment to the program.

4) Improving the screening process to ensure that students entering the program possess the capabilities and aspirations necessary to secure the full benefits of the program.

5) Restricting enrollment of most 16 and 17 year olds, who may be better served by other JTPA programs.

6) Adopting a new requirement that students be drug free as a condition for entering into the program.

7) Offering students job placement assistance for 6 months after leaving the program and following up on their employment status 13 weeks after placement.

8) Seeking legislative authority to access social security and unemployment insurance wage data of students leaving the program to evaluate longer term results of program participation in a cost-efficient manner.

9) Having the OIG conduct an in-depth analysis of the best and worst centers to identify factors contributing to poor performance.

We are encouraged by Job Corps' expressed commitment to pursue these actions to improve performance of the program, and we intend to continue working with management to this end.

VIOLENCE AT JOB CORPS CENTERS

In your letter of invitation, you also requested that we address the issue of violence and other unacceptable behavior at Job Corps centers. While we have conducted very limited work in this specific area, we just completed an audit of the system that Job Corps has established for reporting what they term "significant incidents" (that is, assaults, theft, extortion, drug activity, etc.). Our audit found that centers did not always report all incidents to Job Corps. We also found that the national office needs to have better oversight over reported incidents to establish whether incidents are being properly resolved or if systemic problems exist which should be addressed. Job Corps concurred with our findings and has initiated corrective action.

More importantly, however, Job Corps has just announced a new code of conduct for Job Corps students. Under this new policy, any student committing any act of violence or testing positive for drugs will be automatically terminated from the program. Concurrently, Job Corps has also dropped what they termed "students' average length of stay" as a center performance standard. These two changes should result in problem students being promptly removed from the centers. In Program Year 1995, enforcement of this policy will be a performance standard for center directors. My office will, of course, monitor the implementation and enforcement of this policy.

CONCLUSION

In conclusion Mr. Chairman, the OIG looks forward to continuing to work with the Department and the Congress to ensure the success and cost-effectiveness of the Job Corps Program. One of the areas on which we will continue to focus in future audits is outcomes -- that is, measuring the program's return on the taxpayers' investment.

This concludes my prepared statement. Mr. Fisch and I would be pleased to answer any questions you or the other Members of the Subcommittee may have.

Chairman McKEON. Thank you very much.

We do have a vote. We will run and vote and return rather than get in the middle of the testimony. Thank you very much. We will be right back.

[Recess.]

Chairman McKEON. We will be having more votes. So we will get right into this, and we appreciate your patience.

Mr. Tetro.

STATEMENT OF CHARLES TETRO, PRESIDENT, TRAINING AND DEVELOPMENT CORPORATION

Mr. TETRO. My name is Charles Tetro, and I am President of Training and Development Corporation in Bucksport, Maine.

We run and have over the last 20 years the broadest array of Department of Labor Job Training Programs of any single organization in the country. So we speak with some varied experience about the things that you have been concerned with today.

I am here today and very pleased to be representing the Job Corps Program and speaking to the issues that I think are most compelling before us and before you.

As I do that though and in light of how I thought about my testimony and how your discussions went this morning, it seems to me there is one overarching set of truths that guided me and need to guide us and it has to do with our economic lives. We have very stark choices about our economic lives. We can participate in the legitimate economy. We can engage in illicit activity, or we can become dependent upon someone else. Those are really the only three choices we have.

Job Corps exists because increasingly large numbers of young people do not have the skills and knowledge to participate in the legitimate economy. As we sit here as a Nation thinking about reducing resources for operations for employment, and we are talking about reducing resources for dependency, the only thing left for those people to choose is participation in illicit economic activity and crime. It is that simple. We pay for it one way or we pay for it another, I truly believe.

As for Job Corps, it is a pleasure to be here representing a program that has had the success that Job Corps has had over 30 years. The program has its critics, and it has its flaws, but it also has a track record, and it has a track record of the success which has not been surpassed by any other program of its kind or even close to being like it.

It is an expensive program. Job Corps results have not come without significant investment, but those investments have had a significant return. Every dollar you have invested has returned 46 cents. That is not a bad rate of return.

When in 1982 Mathematic Policy Research studied Job Corps, it determined that the program, in fact, worked and made those kinds of returns. As you know, it is being evaluated now in a large, multi-year evaluation project, and while those results are not going to be in time to inform this particular deliberative process, the performance of Job Corps in the intervening years has been at least as good, if not better than it was during the period studied. So we should expect to find results that are similarly impressive.

I would also say in relation to cost that when you compare it to other programs and activities, such as Boys Town which costs $137 a day per student or the Defense Department's Challenge Program which costs $82 per day per student or the average cost of an education in this country in a college or university which is $77 a day, then the $61 dollars a day that we spend on Job Corps working with the most severely disadvantaged youth comes into perspective.

It is not only expensive. It is efficient and effective. It is a good investment. It gets results, and long before things like statistical process, control, and continuous improvement could come into our vocabularies and the vocabularies of many in American management, Job Corps was doing it, has been and continues to.

But it does not only run by numbers. It has deep quality assessments, very much like the college accreditation process, as I alluded to in my testimony, which I found a lot more pleasurable as a trustee of a college than I have as a center operator. It is a grueling affair, but it is a very important part of making certain that a large national system works, and it does.

As you know, and as we are acutely aware, over the last year there have been incidents of violence in Job Corps Centers which have gotten a lot of publicity, and they are a concern to all of us. There are legitimate reasons to be concerned about those incidents.

They also need to be understood, I think, in perspective. They do not characterize the overall Job Corps system. Most centers are not like that, and the very good centers have had a policy in action for many, many years which is now being aggressively pursued by the Department of Labor, and that is a policy of zero tolerance for violence, and I think that will have the desired effect.

The last major thing I would like to talk to a little bit is about devolution. Certainly that word will get used in relation to employment policy, and I imagine it will be applied in some way to Job Corps. I hope as we answer questions I have the opportunity to amplify this, but I think it is very important to look at Job Corps and understand that it is particularly effective and has been effective by the nature of its construction as a system. It is that ramped up national system that sustained excellent performance over many years that we look as a Holy Grail for in the rest of our work.

It also is a system that will not benefit from being invented as 50 new Job Corps centers, but for those of us who look to devolution, I think what we are usually looking for is coherence in the service to people, its integration, systems integration, service integration, and as I alluded to in my testimony, we have achieved that in two ways ourselves.

One was by creating a community-based Job Corps center within this national system 16 years ago. I think that model accomplishes substantively what you are trying to accomplish when you are talking about devolution. It does it within the national system, and it does it with a proven track record.

The last point I would make about that has to do with service integration in another respect. I think we often look for organizational integration. We have contracted with State, Federal, local government bureaucracies, foundations, and corporations, and one thing they all have in common is bureaucracy, and it is not very much different from place to place.

I think the focus ought to be on service integration. We have found technology to be about the most effective way to accomplish it. You can achieve service integration that puts together a coherent experience for people when life as it is is complex and in pieces often.

At the end of my testimony I make several recommendations, which I will just list and I will not explain. The recommendations on how to improve the current Job Corps Program as I would see it.

I think we ought to look at, particularly in this expansion, testing the community-based Job Corps center model within the national system.

I think we ought to aggressively pursue the reengineering of Job Corps' academic and vocational programs as the Department of Labor has planned as part of its long-term development program.

But I also think we should pilot more radical reformulation of the learning program of Job Corps which draws on more contemporary understandings of what is possible to do coming out of the cognitive sciences.

The next thing I think we should do is concentrate much more substantially in developing technological fluency among Job Corps students and staff alike. If there is anything that will separate the haves and the have nots from each other in the future and even now it is technological fluency. I think as the Inspector General pointed out, we ought to look at performance evaluation systems in Job Corps. As the mission is evolving, so too do those systems need to.

I also think something that I express here in some pages, and that is that we ought to address very low performing centers with a new tool, and that is to let some centers go out of business. By that I do not mean close them down permanently, but what I do mean is to close centers, to depopulate them, to evaluate whether the government has a facilities interest there, whether there is a compelling reason to keep the facility, and if there is, then to open up in the same place and if not to relocate, and that obviously would be only used in the most extreme cases where it is not cost effective to do it otherwise.

The last two points I would make are these. The next to last one is just as Gary mentioned, there is very little that is done for the age group of 14 to 16 and 17, and we are now proposing to eliminate that opportunity from people by constraining enrollment in Job Corps. I think that is a mistake.

I think Job Corps should evolve specialized centers with a mission that is appropriate for students that age. I think it has the resources, the capability, the confidence, and the demonstrated ability to do that.

Finally, and very importantly, particularly with the work we have to do as a Nation to evolve an effective youth development system, I think Job Corps should establish regional centers of innovation, hot houses, test beds, centers where best practice, new technologies, evolved systems can be tested and diffused from.

I think this could help you in your work. It certainly can help the public schools as they come to terms with this, and it can contribute to the evolution of the system which certainly needs to evolve to meet the new conditions that we face as a people.

Thank you very much.

[The prepared statement of Mr. Tetro follows:]

TESTIMONY OF CHARLES G. TETRO
PRESIDENT OF TRAINING AND DEVELOPMENT CORPORATION
BEFORE THE
SUB-COMMITTEE ON POSTSECONDARY EDUCATION, TRAINING, AND LIFE LONG LEARNING

March 16, 1995

Good morning, Mr. Chairman and Members of the Committee. My name is Charles Tetro. I am President of Training and Development Corporation (TDC), a national not-for-profit educational management, training and consulting organization headquartered in Bucksport Maine. TDC operates the broadest array of Department of Labor job training programs of any single organization in the country which has afforded us an opportunity to examine labor market issues from varied perspectives and to undertake an unusual range of education and training activities. However, TDC's truly distinctive capability is derived from the interplay among our roles as an architect and builder of programs, systems, and curricula; as a service provider; and as a policy analyst and consultant. Vigorous pursuit of design and process improvement has shaped what frequently has been described as a visionary organization into an effective and inventive service enterprise as well. In all of our work, TDC is committed to principled, caring, high-performing, and highly accountable customer-centered services.

Our work over the past twenty years has been concentrated in two related areas: labor market programs and youth development.

In the area of labor market programs, we have focused on the development of our Career Advancement Centers (CACs) and our Automated Case Management System (ACMS). In 1992 TDC's Career Advancement Center was designated as a model for worker transition by the U.S. Department of Education as a result of a national competition, and in 1994 it was recognized as one of twelve promising designs for the future by Secretary Reich and President Clinton at the national conference, "Building a Reemployment System: What is working Across America". Our ACMS is being implemented in over 300 sites across the nation, with state-wide implementations underway in Indiana, Michigan, Tennessee and Rhode Island. New York City is in the process of customizing the ACMS for a city-wide implementation which will encompass approximately 230 separate organizations. Combining the CAC organizational design and the ACMS technology application has opened wholly new possibilities for conducting labor market programs. This combination has made it possible to efficiently organize one-stop service around an individual; to consult expert systems and incorporate results in a customer's personal plan; to quickly qualify customers for federal, state, and local programs with differing participation rules and reporting requirements; to manage the complex contractual, coordinating, and referral relationships associated with the real life experience of the customers we serve; and to co-manage complicated, highly accountable, goal driven plans. These two platforms are currently being introduced into TDC's operation of Job Corps centers where we expect they will increase both the efficiency and effectiveness of our operations.

In the area of youth development we have created learning centers; operated Job Corps centers including the first community-based Job Corps center which was established sixteen years ago in Bangor Maine; and collaborated with Seymour Papert and his colleagues at the MIT Media Lab to formulate Technology WORKS™, a new kind of youth learning enterprise which we believe holds considerable promise.

I am pleased to have the opportunity to appear before you today to share what we have learned from our experience in preparing disadvantaged youth for the world of work. I am especially looking forward to discussing our experience with Job Corps which is one of the most critically important and successful investments we make as a nation in the development of severely disadvantaged young men and women.

Since its inception over thirty years ago, Job Corps has been committed to propelling disadvantaged youth into the economic and social mainstream. As times have changed, the challenges associated with accomplishing this objective have changed as well. Today, students enter Job Corps further out of bounds in the competition for work and for a place in society than ever before. Yet, at the same time, new possibilities exist for leveling the playing field and for affording Job Corps graduates entry into an increasingly demanding economy. These possibilities exist today because Job Corps has recognized the need to re-think its practices rather than to simply react to the challenges of this critically important work. Over the past decade, Job Corps has systematically improved its performance capability abandoning out-dated conventions, streamlining processes, incorporating best-in-class practices, meeting more exacting and more meaningful standards, and beginning to more fully exploit the potential of information technologies to support its work.

Job Corps is not without its critics, and it is not without its flaws. But it has something else: a well earned reputation for working and an enviable record of achievement reflected in the thousands and thousands of lives which have been changed by Job Corps, as well as in the research which has validated its worth. That is why Job Corps has received wide-spread bi-partisan support in the Congress for so many years. And, it is why so many communities have come forward to compete for expansion sites now.

This is a time of great upheaval. A confluence of events and a convergence of forces have wreaked havoc upon our economy and society. Economic circumstances have conspired with demographic trends and weakening cultural and social structures including the family to create unprecedented demands upon our workforce development institutions. Our diminished dominance in world and internal markets has provoked debate about the core mission of our schools, training organizations, and labor market institutions; inspired much of the restructuring which is occurring across these systems; and contributed to serious resource constraints in all levels of government and among firms in most industries.

While there are many dimensions to our economic problems and education, training, and efficient labor market institutions are only part of the answer, there is broad agreement that our economic well being and our social and political stability will increasingly depend upon human ability: upon our knowledge, our skills and our facility to employ them. Additionally, our future economic success will depend upon very nearly everyone performing to high standards. Increased competition has already imposed higher performance requirements upon professional, technical, and production workers who wish to maintain their standards of living or, in many instances, simply protect their livelihoods. It has raised the threshold performance requirements for entry-level workers as well, further distancing the poorly prepared from ever participating in the mainstream economy. What is at stake is the standard of living of a whole nation with success dependent upon the initiative, creativity and performance competence of nearly everyone.

While we seldom discuss the stark choices each of us faces in our economic lives, they are essentially three: we can become employed in the legitimate economy, we can engage in illicit economic activity, or we can become dependent upon others for our support. Increasingly large numbers of American youth confront these choices without the requisite knowledge and skill to be employed in the legitimate economy. As we contemplate diminishing the resources we expend as a nation to prepare individuals for employment, we must expect to spend more to support them in their dependency, and if we diminish those resources as well, is it reasonable to expect that we will avoid paying for our choices with increased crime and illicit economic activity? The cost of preparing youth for successful employment is substantial but only a fraction of the expense society incurs for failing to do so. The benefits are many and they accrue to all of us--not only to those whose life possibilities are transformed by the experience of participation in programs like Job Corps--but to every American whose security is dependent as much on the performance of our economy as it is on the strength of our national defense.

In Program Year 1993, Job Corps served nearly 63,000 new students at an average cost of $14,092 per student. The average student stay in Job Corps is about thirty-two weeks resulting in an annual cost-per-slot of $22,371. Costs are broken down by categories: 44% is for training, 37% for lodging and support services, and 19% is for administrative costs. For $61 a day, Job Corps offers a comprehensive program of basic medical and dental care, education, room and board, social skills, vocational training, and job placement. This compares with Boys Town which costs $137 a day, the Department of Defense Challenge Program which costs $82 a day and the average cost for a college or university education which is $77 per day according to the U.S. Department of Education.

I do not suggest that Job Corps is not expensive, it is. But as these cost comparisons indicate, Job Corps compares favorably with similar endeavors--even those which are not aimed at severely disadvantaged youth. And perhaps even more importantly, the investment in Job Corps has an impressive rate of return. According to a 1982 independent evaluation conducted by Mathematica Policy Research, Job Corps provided a return of $1.46 on every dollar invested. Since then, the annual performance results of Job Corps have reached or exceeded those during the years examined. So while it is not possible to predict the results of the multi-year evaluation of Job Corps which is currently being conducted, there is good reason to anticipate similarly impressive findings.

In Program Year 1993, 69.8% of all participants were placed into jobs or went on to higher education and 52% of the students eligible to apply for their GED passed the exam: Students like Rita Montgomery enrolled in our Blue Ridge Job Corps center in Marion Virginia in 1993 having just turned eighteen. Rita acquired her GED, completed Medical Assistant training, and is now pursuing an associate degree program Wythville Community College where she has achieved Deans List honors; Or, Osvaldo Arroyo who came to our Penobscot center after dropping out of high school in Hartford, Connecticut. Osvaldo was involved in the disciplinary system at Penobscot early in his tenure but has become a positive role model on center and acquired his GED in February of this year. And, there is Keith Pelletier who enrolled in the Penobscot center in 1993 and left thirteen months later qualified as a Tack welder. He is currently working at Gross Given Manufacturing in St. Paul, MN, where he is making $12.37 an hour. There are others like Cathy Clendenning, whom I have accompanied today, who are breaking new ground for themselves and for Job Corps by succeeding in initiatives which are being designed to more fully integrate work and learning. Cathy is nearing completion of a School-to-Work program which is being piloted at our Penobscot center. This initiative is not only improving Cathy's current employment prospects, it is connecting her into Maine's emerging school-to-work and life-long learning systems. Penobscot Job Corps center is an integral part of Maine's school-to-work system and enjoys close working relationships and formal articulation agreements with secondary and post-secondary institutions.

Recently, there have been reports of incidents of violence at several Job Corps centers. A number of legitimate questions have been raised, provoking reconsideration of Job Corps policies and practices and attuning everyone to the issues involved in achieving the right balance in serving those severely disadvantaged youth who most "need" and "can benefit" from Job Corps. The Department of Labor has responded by implementing a Zero Tolerance for Violence Policy and a related stringent policy governing drug use. These polities will have a pronounced effect upon the incidence of violence in those centers where it has been a pervasive problem. Most centers have not experienced this kind of violence, and the best centers have never tolerated violent behavior. All centers and every Job Corps student will benefit from the proposed thirty-day probationary period. This will afford staff and students alike the opportunity to evaluate the suitability of Job Corps before more significant resources are expended.

Some have suggested that the flaws which may be found in Job Corps are attributable to an over reliance upon "the numbers". While it may be the case that Job Corps has measured some things which tended to induce perverse behavior like keeping students in the program who should not have been retained, I do not share that view. I believe that competent staff make judgment calls about the future behavior of students every day. Most of the time they are right. Sometimes they are wrong. It is an easy thing to know--after the fact.

In fact, the numbers are important. They illuminate critical aspects of each center's performance from reading gains to math gains, vocational completion, GED attainment, retention, absenteeism, placement, and job training match. These are important things for the front-line professional, the program manager and the policy maker to know. Careful performance measurement is a strength of Job Corps which should be celebrated and adopted more widely in job training and education programs. It is the basis for a system of continuous improvement as well as a partial evaluation of each center's work.

While Job Corps does indeed pay attention to the numbers (e.g. the cost of service, the results of alternative management approaches and youth development strategies adopted by contractors selected in a highly competitive process, the efficacy of different service mixes in producing the advancement which is sought for each student) Job Corps does not evaluate centers by the numbers alone. There is a qualitative judgment which is made each year as well. This is clearly in my mind, because only last week our Penobscot Job Corps center underwent its annual Department of Labor review. This is a week long, excruciatingly thorough examination of a center--much like a college accreditation review (which felt a lot more comfortable as a college trustee than it has as a center operator).

The annual review is as important to the center as it is to the government, for it punctuates an endless cycle of improvement which is underway in each center across the nation. We were all proud and not slightly relieved when the review findings were shared with us in a brief-out: "On the threshold of overall excellence" the panel said after enumerating the departments which had indeed attained an excellent rating. "Excellent" in education, "excellent" in vocational training, "excellent" in counseling and "excellent" in placement--only "very good" in the other units evaluated. "Next year!" we said, and we meant it. And of course, next year has begun in earnest this week.

As is clear from my testimony, I believe Job Corps works and works well. Could it be better?

One of the most striking things about Job Corps is that from its inception thirty years ago, it has been designed to become better. Long before continuous improvement and statistical process control entered the vocabulary of more than a few American managers, Job Corps was doing it. And Job Corps continues to do it today.

Can Job Corps be improved? Of course it can. It was always meant to be.

In fact, Job Corps can and, I believe, should do more than improve itself. Job Corps provides an ideal environment to evolve many critical aspects of youth development systems for the future. And, it provides valuable guidance to those who would craft such policies. Job Corps has an important role to play in breaking new ground in both policy and practice.

There are some, no doubt, who will propose that Job Corps be devolved to the states-- an impulse I believe Congress should resist. Beyond the obvious diseconomies of decentralizing procurement and oversight responsibilities, there is the loss of the great potential of Job Corps as a national distribution system for innovation. And there is the question of whether funding opportunities for severely disadvantaged youth will compete favorably in local environments when economic dislocations as are now associated with defense cut-backs occur from time to time. A program such as Job Corps depends upon (and has succeeded in no small measure due to) stable funding. One year's funding diverted to another purpose will destroy the program.

Many who contemplate devolving Job Corps to the states do so because they believe it is the only way to achieve the kind of systems integration which nearly all of us desire. But there are many avenues to systems integration, and the least appealing may be the one which is most likely if we are not careful. Creating monolithic bureaucratic structures in the states or anywhere else is the wrong way to go. A more enlightened approach is to employ information technologies to weave seamless webs of service around individuals permitting both organizational specialization and coherence in the experience of service for each customer. How might a national Job Corps program fit into such a system. A lot like the Penobscot center has since its inception.

Sixteen years ago, TDC created the first community-based Job Corps center in the nation as an experimental initiative with the Department of Labor. We felt then and we feel even more certain now after the experience of operating Penobscot that there is considerable wisdom in creating such centers. The community-based model accomplishes all that one would wish to achieve in the way of integration into the state and local education, social service, and labor market systems while retaining the strengths of a national program. TDC provided assistance to the Loring (Maine) Development Committee and the Massachusetts Landbank in their successful bids to be selected as Job Corps expansion sites. Each of them have proposed to create community-based centers. Flint Michigan also plans to create a community-based

Job Corps center. I believe that the current Job Corps expansion presents a timely opportunity to further test this approach.

There are several additional recommendations I would offer to improve and advance Job Corps.

First, I would suggest that the Department of Labor proceed with the planned reengineering of academic and vocational programs. This will ensure that these programs are updated to reflect current standards and practice. But I would also urge that over the same four year period for which this is scheduled, the Department develop and pilot test a more radical reformulation of Job Corps' learning design taking into account the new standards which have emerged in high performance work organizations, which are reflected in such initiatives as the National Center on Education and the Economy's Certificate of Initial Mastery, and the new possibilities for constructing knowledge which are emerging from the cognitive sciences. Some of this work holds the promise of creating new ports of entry into learning which are particularly well suited to the "illeterate" youth served by Job Corps. If the pilots are as successful as the research suggests they might be, then the innovations could be diffused throughout the system. If they are not, Job Corps will not have suffered the kind of set-back which an interruption in the general development program would have occasioned. And, at very least, there will important insights as well as useful strategies and tools which will accrue to Job Corps from such an endeavor. It would be useful to coordinate such activity with related work which has been funded by the National Science Foundation and others. The intent is not to involve Job Corps in sponsoring original research, but rather to utilize the pilot sites as test-beds for leading-edge practice.

Second, I would suggest that the Department of Labor commit to creating technological fluency among the staff and students of Job Corps. This is crucially important to all of us who care to see the disadvantaged fully able to compete for good jobs in an increasingly competitive economy--an economy in which privilege has to do as much with access to and fluency with information technologies as with any other factor separating the "haves" from the "have nots". Nothing I would propose that the Department do depends upon new invention. Rather it would involve undertaking what it is possible to do with existing knowledge and existing tools. By utilizing computers to recast fundamental concepts of science and mathematics and to support experimentation, many students will come to find meaning in a world which has been inaccessible to them. By introducing concepts of programming which have evolved over more than a decade at such places as MIT's Media Lab, staff and students can begin to become technologically fluent--to apply the tools of this age to their jobs and to their careers with the ease of a first language.

Third, I would suggest that the Department of Labor carefully evaluate the performance measurement system of Job Corps to validate its conceptual alignment with the evolving goals of the program.

Fourth, I would suggest the Department of Labor permit poor performing centers to "go out of business". I am not suggesting that centers be closed to meet what I believe is a misguided and likely dangerous course of abandonment where severely disadvantaged young women and men are left stranded in a rapidly changing economy. Rather, I am suggesting that after operating some centers quite well and others poorly, I have a far keener appreciation for the power of a culture of failure. I have wondered as I have watched a series of contractors struggle to turn-around a poorly performing center only to have one come along and do it handily whether the magic was in the approach or in the batting order. I do not pretend to know even now. But I do suspect that in the case of very poorly performing centers, a management change is not enough, and may often not be a critical variable. The proposals for multi-disciplinary technical assistance teams are promising. But in certain instances, the government may find it cost efficient to actually close a center, conduct an assessment of its real estate interest, and depending upon the outcome of that analysis, choose to open again in the existing facility or relocate the center. Obviously this action would be reserved for the centers for which a less costly intervention is deemed unlikely to succeed.

Fifth, while I appreciate the thinking behind the Inspector General's recommendation and the Office of Job Corps amenability to the idea of excluding sixteen year old students and severely restricting the enrollment of seventeen year old students, this only further exacerbates the problems facing an increasingly large number of adolescents who I believe could be well served by Job Corps. Instead, I would suggest that Job Corps establish a cohort of centers which specialize in programs of study for this age group.

Finally, I would suggest that the Department of Labor formally establish Job Corps "centers of innovation" in each region of the country. These centers would be designed to function as test beds--cutting edge practice environments accessible to all of the Job Corps centers as well as to other training programs and to the public schools. These centers could make important contributions to the development and diffusion of leading-edge practices and technologies as we endeavor to construct, maintain and advance an effective youth development system for the nation over the next decades.

In closing, I would like to thank-you for affording me the opportunity to share these few thoughts with you today. These are difficult times and no one has, or should have, glib answers for the problems that beset us as a nation. If ever there were a time when any of us could look at another and feel smug or disconnected, that time has passed. We are more interdependent today than ever before in our history, or indeed, than any people have been with the peoples of the world in all of history. We will achieve economic and social security for ourselves only to the extent that we succeed in achieving it for and with each other. One thing is certain though, as long as the bankruptcy court is the centerpiece of our economic transition system and the social program of choice is a prison sentence, success will elude us.

Mr. Chairman, this concludes my prepared statement. I would be pleased to answer any questions that you or other Members of the Sub-Committee may have.

Chairman MCKEON. Thank you.
Ms. Clendenning.

STATEMENT OF CATHY CLENDENNING, PENOBSCOT JOB CORPS CENTER

Ms. CLENDENNING. Good morning. My name is Cathy Clendenning, and I would like to thank you for inviting me here today.

I am proud to be here to tell you what Job Corps has done for me. I am 23 years old, and when I look back on who I was and what I was doing before Job Corps, I realize how far I have come. Let me explain.

I am from Brewer, Maine, a small, rural town. I would call my home life rocky at best. At the age of 17, while growing up in a single parent home, my sister and I found ourselves living on our own. I became pregnant when I was 19, and I have been a single mother since then.

Before and after I had my son Alex, I managed to attend some college. I then had to drop out because I could no longer afford the tuition. That is when things started to get worse for me. I had no job and no income. I moved in with my grandmother, but she could not support us. I became a welfare recipient.

My self-esteem was at an all time low. I felt horrible about everything. I was clearly not employable. For seven months I did nothing every day except get up, get my son out of bed, and did only what I had to to keep him clean and fed. I was very depressed, reaching out for anything I could grab or cling to.

When I saw an ad on TV for Job Corps, I decided to enroll. I knew that Job Corps was my only option. To be honest, when my mother found out I was going to Job Corps, she was very upset. She questioned whether this was a good program, but I wanted to see for myself, and I am very glad that I did.

I have always felt safe at the center. In my 15 months at the center, I have not personally witnessed a single violent incident. Job Corps provides a setting that has allowed me to accomplish much. Because I have been able to work at my own pace, I have learned skills more quickly than I ever have before. This is how I have accomplished my training in the business and clerical program at Penobscot Job Corps Center.

I have become an employable person, and I plan to get a job in the secretarial field with a company that will offer me both growth and promotion. Before I came to Job Corps I was not doing anything. Now I have a whole portfolio of accomplishments.

I have received an award for Outstanding Business Clerical Student and a certificate for participating in the center's School-to-Work Program. I worked for the center in the Admissions and Placement Office where I went to work every day from eight to five for five weeks, and I made $6.40 an hour. I did all of the secretarial work for the office, and believe me, I welcomed the opportunity to work at a real job.

Before Job Corps and the school-to-work experience it provided, I would freeze at the very thought of a job interview. Now I am ready to find a job. I am working closely with a placement specialist at my center. My main goal is to become independent and provide for my son. I am absolutely determined to be self-sufficient. Before Job Corps I was not determined to do anything.

I know that the government has invested a lot in me, and I am determined to pay it back. I have vowed never to go back on welfare.

While I was completing my school-to-work experience in the Admissions and Placement Office, I worked with many students from many different backgrounds, students from the city, country, and all ethnic backgrounds. I saw so many kids change their attitudes and become positive individuals. Job Corps gives many kids a chance for the first time in their lives to be proud of what they can accomplish.

I also met kids who did not make it in Job Corps and dropped out after a few days or a few weeks. Some of these students had family emergencies or a new opportunity to go to work or to college, but the rest of them left because they did not want to do the work or obey the rules that Job Corps requires.

For me Job Corps has been full of people who keep telling me that I can do it. My instructors, my admissions representative, staff and other students, they never stop supporting me.

I would hate to see Job Corps cease, and I am growing increasingly angry when I read negative news about the Job Corps. Why? Because Job Corps has been an overwhelmingly positive experience for me.

I have even managed to change my mother's mind about Job Corps. She is very proud of the things that I have accomplished, and now she knows that Job Corps works for the people who want to better themselves. It has certainly worked for me.

Job Corps has changed my outlook on life, which in turn has enabled me to change my course of action.

Thank you.

[The prepared statement of Ms. Clendenning follows:]

STATEMENT OF KATHY CLENDENNING
BEFORE CHAIRMAN GOODLING'S
ECONOMIC AND EDUCATION OPPORTUNITIES COMMITTEE

Hello, my name is Kathy Clendenning and I am proud to be here today to tell you what Job Corps has done for me. I am 23 years old, and when I look back on who I was and what I was doing before Job Corps, I realize how far I've come. Let me explain. I am from Brewer, Maine, a small rural town. I would call my home life rocky at best. During my senior year in high school, while growing up in a single parent home, my sister and I found ourselves living on our own in my mother's apartment because she had moved out to live with someone else.

I became pregnant when I was 19, and I've been a single mother since then. Before and after I had my son, Alex, I managed to attend some college. But I had to drop out because I could no longer pay the tuition. That's when things started to get worse for me. I had no job and no income. I moved in with my grandmother, but she couldn't support me. I had to go on welfare. My self-esteem was at an all-time low. I felt horrible about everything. I was clearly not employable. For seven months, I did nothing every day except get up, get my son out of bed, and stay inside all day. I was very depressed. I was reaching out for anything I could grab or cling to. When I saw an ad on TV for Job Corps, I decided to enroll. **I knew Job Corps was my only option.**

To be honest, when my mother found out I was going to Job Corps, she was upset. She questioned whether this was a good program. But I wanted to see for myself, and I'm really glad I did. I have always felt as safe at the center as I did in high school. In my 15 months at the center, I have not witnessed a single violent incident. **Job Corps provides a setting that has** allowed me to accomplish much. Because I have been able to work at my own pace, I have learned skills more quickly than I ever have before. This is how I have completed my training in business and clerical.

I have become an employable person, and I plan to get a job in the secretarial field with a company that will offer me growth and promotion. Before I came to Job Corps, I wasn't doing anything. Now, I have a whole portfolio of accomplishments -- I have received an award for Outstanding Business-Clerical Student and a certificate for participating in my center's School-to-Work program. The School-to-Work program at the Penobscot Center lasts for five weeks. I worked for the center in the Admissions and Placement Office, where I went to work from 8 to 5 every day and made $6.40 an hour. I did almost all of the secretarial work for the office, and believe me, I welcomed the opportunity to work at a real job. Before Job Corps and the School-to-Work experience it provided, I would freeze at the very thought of a job interview. Now I am ready to find a job. I am working closely with the Placement Specialist at my center. My main goal is to become independent and take care of my son. I am absolutely determined to be self-sufficient. Before Job Corps, I wasn't determined to do anything! I know the government has invested a lot in me, and I'm determined to pay it back. I have vowed never to go back on welfare.

While I was completing my School-to-Work experience in the Admissions and Placement Office, I worked with many students from many different backgrounds -- city kids, country kids, all ethnic backgrounds. I saw so many kids change their attitudes and become positive individuals. Job Corps gives many kids a chance, for the first time in their lives, to be proud of what they can accomplish. I also met kids who didn't make it in Job Corps and dropped out after a few days or weeks. Almost without exception, these

kids left because they didn't want to do the work or obey the rules that Job Corps requires.

For me, Job Corps has been full of people who keep telling me I can do it -- my instructors, staff, and other students. They never stop supporting me, even though it's easy to want to give up when you're a single mother.

I would hate to see Job Corps cease, and I am growing increasingly angry whenever I read negative news about Job Corps. Why? **Because Job Corps has been an overwhelmingly positive experience for me.** I've even managed to change my mother's mind about Job Corps. She is glad of the things I've accomplished, and now she knows that Job Corps works for the people who want to better themselves. It has certainly worked for me.

Thank you.

Chairman McKEON. Thank you. You got through it. It scares me to death here every day that I am in this seat, and I just do not know what it would be like to have tried to do this at your age.

Mr. Riggs.

Mr. RIGGS. Thank you, Mr. Chairman.

Good morning, again, to our witnesses. I would like to, first of all, Mr. Tetro, ask you. You cautioned in your testimony about—I think you even used the vogue term these days—devolving the Job Corps back to the States. Yet in California we have somewhat of a model with the CCC. It appears to have worked fairly well, and that is, as you well know, a State run program for young people.

Are you familiar with the CCC Program?

Mr. TETRO. Yes, I am.

Mr. RIGGS. Do you think my comparison is a valid one when I suggest that the experience in California and the success with that program would tend to counter your concerns?

Mr. TETRO. Well, I think as we all try to find truth in all of this or wisdom, we are confronted with the same problems over and over again. Many panelists that you will speak to are here because they have run distinctive programs, and earlier we were talking about the fact that the real question becomes: how do you successfully scale up and manage over a large geography and over a sustained period of time an excellent model?

And I think that it is very much correct that we can look around the country and find good examples of a conservation here or a job training program there that are working quite effectively. The question becomes: can we bring that to scale? And what are the implications financially and programmatically to do that?

I think the Job Corps is an example of something where we made that investment 30 years ago. We have brought this system to scale, and over those 30 years, and as expensive as it may seem today, as a relative cost Job Corps has declined in expense over those 30 years. It used to be a much more expensive program if you were to look at constant dollars. It has gotten more efficient over those years.

If I remember correctly, and I may be wrong, but I know I am close, it is something on the order of 1.27 Federal staff per center to oversee Job Corps across the country. I cannot imagine that if we ran that as a State initiative that it would result in a single person in each State having the overall responsibility for oversight and project management and contracting and procurement, and have that be cost efficient or successful.

We are really talking about something that already exists, has come to scale, is cost efficient, is effective. The research tells us that, and so the question becomes: why—in Maine we have an expression—would we fix it if it ain't broke?

And I think really and truly that the Job Corps stands out in any of this discussion as something that ought to be considered an exception. It ought to be considered an exception because it does work as a national system.

You will see within it national labor markets. Many of the jobs that we train for are trained for and students are distributed across the country. Their training is accomplished by national contractors. Students participate in national markets.

One of the examples I give is the student who was from Maine who was earning $12.37 in Minnesota as a TAC welder after 13 months in Job Corps. That is how Job Corps is able to work.

So I do not think there is anything wrong with encouraging States to develop programs. I just think that it is probably not wise to throw everything into the bundle irrespective of the careful examination of its own performance.

Mr. RIGGS. Mr. Masten, in your testimony you talk about improving the Job Corps' performance. Do you have though specific objective criteria in mind that we might use in terms of coming up with measurable outcomes and performance standards, not just for Job Corps centers, but for all youth job training programs that you would be able to discuss this morning or submit in writing for the record?

Mr. MASTEN. I have submitted my testimony on those areas that I think would improve Job Corps. I have not done audits or had an in depth analysis of all of the other programs to make that assessment, but in my testimony I have listed nine areas where Job Corps management and the Office of Inspector General has agreed to look at so that we can improve Job Corps.

Mr. RIGGS. So it sounds like you would not be willing to go out there on the limb.

Mr. MASTEN. That is correct.

Mr. RIGGS. Let me ask a follow-up question to that though. In terms of taking a longitudinal look at how well these programs are doing, particularly with respect to young people, recognizing that they are going through a transitional phase in their lives, how far out should we look in terms of again trying to measure or gauge the success of the benefits and the training that they receive in these programs?

Mr. MASTEN. I am going to let my colleague try that one.

Mr. RIGGS. By all means.

Mr. FISCH. I do not know if there is a good answer to how far out you should look because I do not think that from the standpoint of outcomes and what has happened in a lot of these programs as far as the long-range success, I do not think it has been looked at at this point in time.

I do not think the programs have been looked at at this point in time long enough. For example, in Job Corps they are just beginning a study in a couple of States to look at the outcomes of these kids going through this program 13 weeks out. Most of the training programs in government today do not look at the outcomes. They look at how many people they get in, how many people they put through the system, and at the end of that, that is it. They do not measure the outcomes.

I think some of the States now are starting to do this. I heard Ms. Wang earlier this morning talk about the return on investment that New York is getting. I think you are getting that today in some of the local areas.

The Federal level has not reached that point yet. Return on investment was put into JTPA when the Act was created, and the

Federal level to this day has not gotten to the return on investment in JTPA. Some of the States are starting to do that.

Mr. RIGGS. Thank you, Mr. Chairman. I have another question, but I will withhold it for another round hopefully.

Chairman MCKEON. Thank you.

Mr. Reed.

Mr. REED. Thank you, Mr. Chairman.

Mr. Masten, your testimony implies that the overall performance has not changed very much in Job Corps over the past few years, but there is other evidence—it might be anecdotal—that there has been improvement, and some of it is in response to the efforts that you have made over the last few years to point out some shortcomings.

How can you sort of justify this issue, or more specifically, what do you mean by the overall performance remains relatively the same?

Mr. FISCH. Okay. Currently we are auditing the performance statistics for our comparative cost results through program year 1991, which the program year ends 6/30/92. When we look at the audited statistics up to that point, the program statistics have stayed basically the same from that program year back through 1987 when we started this.

On the unaudited data that Job Corps has now current through January of 1995, they have shown significant improvement in some of their statistical data. That is unaudited data, and it is a little tough for us to talk from that standpoint, but they have shown some increases in placements. Their data is showing increased job training matches, for example, and that type of thing.

Mr. REED. So that your conclusions are based upon data that is about three to four years old or three years old?

Mr. FISCH. Yes.

Mr. REED. And, as you point out, the unaudited data although——

Mr. FISCH. The unaudited data is showing improvements.

Mr. REED. And you would assume that there is a certain degree of reliability in that unaudited data?

Mr. FISCH. I do not want to go that far, sir.

Mr. REED. All right.

Mr. FISCH. We have not looked at that data. Okay? I can go from 1992 backwards and show you the data, but there are some big jumps. There are some big changes in some of the data, and when you get that big of a change over that period of time, it also raises a question whether that is totally accurate, and it has not been looked at, but we will recognize; I would recognize for you today that that data has changed over the last three years.

Mr. REED. And that is as a result, frankly, of different approaches to administration of the program, different standards, different emphases that, as I said, probably are as a result of many of your previous reports. So you are seeing kind of a feedback loop going where you have made comments and they have responded favorably, and so it might not just be a random event. It is because of better management, I would assume.

Mr. FISCH. Yes, sir. More attention to the topics at hand.

Mr. REED. Let me also raise an issue, too, because you mentioned the variation between the different sites in terms of performance levels, and I am just curious as to what are kind of the managerial responsibilities of the site manager. I do not know if that is the proper term, but is this a situation where, you know, leadership in one site makes a significant difference versus another site? And consequently, what flexibility does the Job Corps have in going in really and sort of firing up a manager who is not doing his or her job and turning things around?

Mr. MASTEN. We are of the opinion that the difference in the sites depends on all of the above, if you would, but it also includes a lot of oversight from Washington. You take those centers that are performing in the top 50 out of the 110 or so centers. They have consistently performed at a level because they have very good staff. They have very good oversight, and they are held to certain standards.

If that would prevail throughout the entire system, I believe that all of them would come up, especially the lower 50 that we are concerned about.

Mr. REED. And what in your opinion, Mr. Masten, is the inhibiting factor that prevents Washington from dealing effectively with those poorly performing centers? Is there anything you could point to?

Mr. MASTEN. That is one of the areas I believe out of the nine that I listed that we are going to look into. I mean the Job Corps Program managers and OIG staff have agreed that that is an area that we would look into to see what things are causing those centers to perform badly, identify those, and get it corrected so that they can move up above the norm.

Mr. REED. Can I deduce from your comments that overall you see the structure works when there is proper leadership and motivation, and what you're trying to do now is provide some guidance as to how do you get that proper management technique in every center? Is that a fair inference?

Mr. FISCH. What gets measured gets done.

Mr. REED. General Clark, who commanded troops in the Second World War said what a commander checks gets done, and so I guess that is the same thing.

Mr. FISCH. That is it, sir.

Mr. REED. I want to commend Ms. Clendenning for her testimony. I share the Chairman's observation that it is hard for us to sound coherent, as you probably noticed, and you have done it quite well, and you should be very proud of what you have done.

And, Mr. Tetro, your work in Maine is really important because without good leadership in these centers and these operations, we cannot get the job done.

I want to thank you all for your testimony today very much. Thank you, Mr. Chairman.

Chairman MCKEON. Thank you.

Mr. Souder.

Excuse me. Mr. Riggs, you said you had another question you would like to ask?

Mr. RIGGS. I would like to ask one other question, Mr. Chairman, and thank you.

And it simply has to do with an action that I took as a member of the Labor HHS Education Appropriations Subcommittee when I restored through an amendment the full operational funding for the Job Corps for the current Federal fiscal year, but there was considerable discussion in the subcommittee that echoes testimony here this morning, and that is—and this is really a question both for the Inspector General and for you, Mr. Tetro—and that is: do you know why the Department of Labor is so aggressively pursuing the expansion of the Job Corps Program, including the proposed construction of many new centers as opposed to fixing the ones which already exist in light of the problems at those centers that both of you gentlemen have pointed out in your testimony?

Mr. MASTEN. I cannot answer why they insist on it. I can only point out that I am recommending that you address those problems that we have identified before expanding the centers, the number of centers.

Mr. RIGGS. Well, let me ask you quickly as a follow-up to that: how many centers would you say are performing poorly or substandard?

Mr. MASTEN. Out of the 111 we have now, I would say the lower 20 are the poorly performing ones.

Mr. FISCH. What we have done with Job Corps is between OIG and Job Corps, we have agreed to look at the bottom 20 centers, and also in that 20-center review, we are going to look at five top centers, and we are going to try to come up at some point in time here within the next six or eight months with what makes a good center good and what makes a poor running center poor.

I do not know if we are going to be successful in that endeavor, but we are going to try to look at it, and it may come down to a situation of staffing. It may come down to a situation of curriculum. It may come down to where the kids come from. I do not know, sir, but we are going to try to look at it from the standpoint of the bottom 20 centers on our ranking and five of the good ones.

Mr. RIGGS. And what factors will you be looking at?

Mr. FISCH. We have got a host of factors.

Mr. RIGGS. I have seen the nine points that you were mentioning in your testimony, but I mean are those the criteria that you intend to apply?

Mr. FISCH. We are going out to two centers here in the next couple of a weeks, a good center and one of the poorer performing centers, and we are going to look at a host of staff related issues, the accountability system at the center, the environment of the center, the type of coordination that is in the training and job linkages, and what external influences play on the center, and see if we cannot come up here with a decent guide.

Mr. RIGGS. Those sound like very broad performance standards, and I would be interested to know what the specific objective criteria are that you have.

Mr. FISCH. We are just in the process of developing that, sir.

Mr. RIGGS. Very good. Could you share that, please, with me or my office? And I would be very interested to follow this study so that perhaps this study could help influence some of the difficult decisions we are going to have to make in the upcoming round of appropriation bills for the Federal fiscal year 1996.

Thank you, and thank you, Mr. Chairman.

Chairman MCKEON. Thank you.

Mr. Reed, did you have something short?

Mr. REED. I am short, Mr. Chairman. Thank you for pointing that out.

[Laughter.]

Chairman MCKEON. I was speaking to the brevity of the question.

Mr. REED. I will be brief. I will be brief, Mr. Chairman.

I just want to follow that question up because it occurs to me, and if Mr. Tetro could take this question, you have a lot of experience running these centers. Can you give us kind of a sense of what makes a good center work?

And in the context of a particular concern, sometimes if you are trying to reach the most challenging young people, the ones with the most significant problems, the ones that will not find themselves otherwise, inherently your performance statistics are not going to be as good as a center where you attract, you know, a more stable, better prepared, whatever the appropriate description is, of young people, and sometimes if we are going to dare to really make a difference in people's lives, we might have to run the risk of the statistics not being as good as they would otherwise.

But given that as an introduction, from your experience what makes a good center work?

Mr. TETRO. Well, I think as Gary was saying earlier and, I'm sure, as the Inspector General would agree, too, it comes down to very simple things, as difficult as it may be to do. You need good people. You need good systems. You need good infrastructure, and I think you need good technologies, and if you have those four components, you can do a good job.

There is always a balance in creating a culture in any organization between the kind of risks that an organization is able to take at a certain time in its history. A very proficient organization can take greater risks than one that is a novice. So that when we are looking at serving difficult students, there will be some that will be more proficient and more able. Others should probably be taking less challenging work.

I think when I look out at our work, and we have both, as I mentioned in my testimony, succeeded and failed in terms of Jobs Corps. So I am standing before you not as a person who has done everything right, but as a person who has led an organization that always has tried to do everything right, and I think that over the years the things that we have learned about that is that facilities have a lot to do with Job Corps operations, and we have operated in very poor facilities and found ourselves spending tremendous amounts of time on that, and that diverted and distorted programs tremendously, and it is one of the reasons why we have advocated, as has anyone in the Job Corps community, for years to make the proper facilities investments.

Part of the 50–50 Program is to do just that. It is not just a program to have new centers. It is an endeavor by the Department of Labor to create the resources to have good centers everywhere that they operate and good facilities. So I think that is critically important.

I think it is critically important that we develop people, and Job Corps has. It is part of the system of evolving competent performance in a national franchise, as it were.

In those places that are not performing well, you will find the absence of one or more of those major components, and usually more than one, but I think you almost always find a facilities problem that I talk about.

As for expansion, which is not only new centers, but more money for the current centers to do that kind of renovation and work, I would also make this other comment because it is a very thoughtful question and it is a really critical issue. Why expand when you still have work to do?

On the one hand, I think that you will always have the bottom 20 centers, whatever the threshold is. So we can always be saying we cannot move forward because we still have some that are not where the rest are. There may be some among those several centers that really are structurally flawed. I do not know that to be true, but there are some centers that over many, many years seem to have been poor performance, and there must be something substantially wrong there that needs to be addressed. I am sure this process will begin to do it.

But I mention the concept because if you have a facility that turns out to be quite good, but an inability to turn it around, the idea of letting it go out of business, moving students out, stopping the operation, and restarting it, I think, is an important tool to have in this kit that the Department of Labor is building with the IG because there are going to be some times when that may be the right thing to do, not often, but that may be the way to interrupt some process that has not been working over a period of time.

Cultures form, and that is what we learned when we went into trying to take over. We thought we could do anything. We tried to take over a low performing center and found cultures are very powerful, very difficult to change, particularly to change quickly, and I think the endeavors that the IG has talked about are very important.

It is a good collaboration, I think, for developing Job Corps' future performance capability, but I would urge you to permit Job Corps to develop as proposed. It's an incremental growth, and it is a very aggressive investment in improving current performance across the board.

I think those numbers that you have talked about earlier will hold up, and I am not sure about this, and I am sure you will be able to correct me if I am wrong, but I think I remember reading at least a year or so ago an analysis of data where we looked at audited results versus unaudited results, and the Department of Labor's numbers held up really well, it seems to me, when I looked at it.

If those numbers are good numbers, they have historically been good numbers. Now, accountants will never tell you that next year is going to be okay, but I think that the fact is that the track record is that those are good numbers, and they have been reliable. We have no reason to believe they would not be reliable.

Mr. REED. Thank you, Mr. Chairman.

Chairman MCKEON. Thank you.

My mother is five feet tall. So——

Mr. Reed. I would like your mother.

[Laughter.]

Chairman McKeon. I grew up not using short jokes.

But I have a couple of questions. I come from a retail background. We have several stores, and one of the things that we have found is, yes, you always do have the bottom tier. There is always a top tier, a middle tier, and a bottom tier. Nobody is always the same.

But we have found over many years' experience that you could take the top manager, move them to the bottom store productionwise, and that store does better. We could take the manager of the bottom store, move him up to the top store, and he is able to pull that store down.

It would be an interesting experience, as you go into these centers, if you took the center that is doing the very best, took that management team, and moved it to the center that is doing the very worst, and while you may not bring them up to the top, I would venture to say you will find an improvement, and likewise, the management team moving to the top center would probably pull the results of that center somewhat down.

I think you will find, as you go out and do this, some things that can be measured and some things that can be changed, perhaps facilities or whatever, but a lot of it is going to come back to the management team in place. Leadership seems to rise. In all occasions, wherever you will find leadership, they will tend to make things happen.

I would like to ask Ms. Clendenning. You said that you saw some students drop out, some very quickly, some longer, and then some that went through the program and were not what you would call successful. Do you know made some of those students drop out?

Ms. Clendenning. In some instances I know for a fact that students had the opportunity either to go to college or to go back to high school or to get a job. In some cases it was family emergencies, whether they had children back home, and in some cases it may be that they could not test clean during their urine screening or they did not want to follow the rules, as in any center or in any job.

Chairman McKeon. So not all of the dropouts were failures.

Ms. Clendenning. Right.

Chairman McKeon. Some of them were dropping out to take other opportunities.

Ms. Clendenning. Right.

Chairman McKeon. It is interesting. Several of the points you made in your testimony were that you have made up your mind to do certain things, and it seems like in many programs that we have, the success is based on how determined is the person that enters the program. If you come in with the idea that this is going to work and I am going to make it work, whatever, your chance of being successful in the program is much higher than someone that goes in with the attitude of, well, you know, prove to me that this is any good.

I guess it seems to me as we have testimony from many of these programs, the determining factor is the person that is actually running the program has a lot to do, and then the person who comes into the program. So it is at what point you are in your life, if you are willing and ready for what is available, and then if the person with a good attitude, desire, and ability is there to make these things available for you, if you get the match at the right time, then we have a good chance for success in whatever kind of program we are putting on.

I want to thank you, all of you, for being here today and for your testimony, the things that you have brought, and you were here when we closed the last panel and you heard the invitation that if you find things when you leave that you would have liked to have said that you did not have in your testimony, we would appreciate anything that you can come up or you will be able to add as we go through this process.

Also, we have submitted for the record testimony from the National Association of Service and Conservation Corps. With no objection, I will add that to the record.

And, again, thank you for being here, and we will now adjourn.

[Whereupon, at 11:29 a.m., the subcommittee was adjourned.]

[Additional material submitted for the record follows.]

NASCC

National Association of
Service & Conservation Corps

WRITTEN TESTIMONY OF ANDREW O. MOORE
DIRECTOR, GOVERNMENT RELATIONS AND PUBLIC AFFAIRS
NATIONAL ASSOCIATION OF SERVICE AND CONSERVATION CORPS

SUBMITTED TO THE

SUBCOMMITTEE ON POSTSECONDARY EDUCATION, TRAINING AND LIFELONG LEARNING
HOUSE ECONOMIC AND EDUCATIONAL OPPORTUNITIES COMMITTEE
MARCH 16, 1995

The National Association of Service and Conservation Corps (NASCC) is pleased to submit this testimony as the Subcommittee continues its discussions of youth job training. NASCC is the national membership organization for the 120 youth corps that now operate with private, local, state, and federal support in 38 states and the District of Columbia, serving upwards of 26,000 young adults each year. NASCC exists to support and expand the network of corps, and provides professional development programs, technical assistance, and a Washington voice for the corps. For reference, approximately 7% of all corps funding (or just under $12 million) flows from the Job Training Partnership Act.

NASCC believes that youth development and program comprehensiveness are at once key watchwords and important values to keep in mind throughout the current phase of efforts to reform and consolidate the job training "system" for youth and young adults. Sincere reform efforts must grapple directly with one of the omnipresent questions that confronts the job training field, namely, "what works for out-of-school youth?" In this context, explicit legislative preferences and incentives as well as targeted demonstration, expansion, and replication initiatives should secure a firm, high place in the training continuum for youth corps programs.

The term "youth corps" has filtered into the job training world with increasing regularity -- in the 1992 JTPA Amendments, for instance -- in no small part because youth corps now play important roles in several states' job training systems. Experience shows that youth corps can meet and exceed JTPA performance standards. Prospectively, corps also meet many of the program standards outlined in the recent National Youth Employment Coalition report, "Toward a National Youth Development System," which emphasizes the need for long-term, coherent services.

But what are youth corps, how do they work for out-of-school youth, and why are they worth special emphasis in a reformed job training system?

666 Eleventh Street, NW • Suite 500 • Washington, DC 20001 • (202)737-6272 • (202)737-6277Fax

BEST COPY AVAILABLE

A youth corps is a unique type of social program that uses community service as a strategy to promote youth development and workforce preparation. Encompassing programs variously known as conservation corps and urban service corps, youth corps are *state-of-the-art comprehensive programs* that provide participants -- "corpsmembers" -- with full-time paid work experience, job readiness training, and basic and life skills education for up to one year. Youth corps embody *developmentally appropriate job training practices* such as the use of closely-supervised 8-12 person crews to foster teamwork, problem-solving, critical thinking, and communications skills. The crews undertake a wide range of community service projects, so that corpsmembers experience several types of occupations while serving in the corps. Corps staff select and plan work projects to enhance *contextual learning*, and staff receive training in how to reinforce the connections between work and learning. Most corps address corpsmember development and workforce preparation through individually-tailored pre-GED, GED and college credit courses, and life skills classes, during eight to 15 hours each week.

Furthermore, youth corps are *performance- and output-oriented*; many corps operate as small businesses that carry out projects that would not otherwise be done for public land-managing agencies and nonprofit organizations, in exchange for payment or in-kind contributions of education and other services. Such projects develop *marketable occupational skills*, and provide corpsmembers with the opportunity to give something back and achieve recognition for making a positive, tangible contribution to their community. Youth corps have measurable impacts for *at-risk youth* participants; research conducted by Public/Private Ventures concluded that low-income corpsmembers increased their earning power following participation in the corps.

Of the youth corps now operating across the country, fully half, in 24 states, currently receive some support from JTPA, and many others have expressed interest in establishing or enhancing linkages with job training programs. Relationships between corps, JTPA, and other components of the current employment and training system, such as JOBS and the Job Service, vary considerably. In Montana, for instance, a collaborative effort among SDAs resulted in the pooling of resources and funds to develop a coordinated corps programs with a nonprofit statewide administration. Elsewhere, including Florida, New York, and Michigan, individual PICs and SDAs have adopted the corps model as a service delivery approach for a segment of their service population. In a few states, such as Pennsylvania, Colorado, Missouri, and Virginia, the state JTPA coordinating agency has encouraged the growth of youth corps by providing training and seed grants to PICs and SDAs. However, it is important to recall that linkages to date have come about the hard way, with some corps programs waiting their turn for several years to become part of a given locality's job training agenda, succeeding only in obtaining contracts to operate summer youth programs, or advancing only because of particularly strong, committed leadership at the gubernatorial and agency head levels.

Through reform and consolidation, the federal government could play a key role in advancing comprehensive, long-term programs including youth corps. Whether job training programs are to receive funding through block grants or another means, Federal grantmakers could:

1) Provide preferences for certain programs or components such as youth corps, crews, and integrated work and learning (perhaps on a time-limited, experimental basis) rather than describing "allowable" characteristics;

2) Provide incentives for states that already support a limited number of comprehensive programs such as youth corps, to expand or replicate such programs in additional sites;

3) Provide direct support for peer-to-peer, state-to-state technical assistance to assist in revisioning and retooling existing programs into those of a more comprehensive nature;

4) Rework cost effectiveness incentives to ensure that they do not push programs toward quick fixes;

5) Encourage expansion of programs that meet the needs of multiple state and local agencies, i.e. conceive of training programs that lay the groundwork for careers in environmental management and testing as a partnership between conservation and job training agencies; and

6) Utilize program impact measurements that take into account not just the effects on participants, but also the effect on communities, e.g. of community service projects carried out by participants in youth corps.

Ultimately, the tangible proof of the potential for Federally supported expanded linkages between job training and youth corps lies in the field, where states, municipalities, SDAs, PICs, and corps have ten years' experience in working together for mutual benefit. Attention to building upon such hard-won success would serve the current "reform and consolidate" movement well.

HEARING ON TRAINING ISSUES

TUESDAY, MARCH 21, 1995

House of Representatives, Subcommittee on Post-secondary Education, Training and Life-Long Learning, Committee on Economic and Educational Opportunities, *Washington, DC.*

The subcommittee met, pursuant to call, at 9 a.m., Room 2175, Rayburn House Office Building, Hon. Buck McKeon, Chairman, presiding.

Members present: Representatives McKeon, Gunderson, Petri, Souder, Roemer and Green.

Staff present: Richard Jerue, counsel; Doctor June L. Harris, Education coordinator; Mary Gardner Clagett, professional staff member; and Mary Ann Fitzgerald, legislative assistant.

Chairman McKeon. Good morning. I wanted to welcome today's panel of witnesses to the seventh in a series of hearings our subcommittee has held on the issue of how to reform this Nation's system of work force preparation.

Over the last month and a half, we've heard from numerous witnesses who have provided us with valuable information on the skill requirements of the work force on model programs and with recommendations on how to effectively and efficiently streamline and reform our current job training and employment assistance programs, especially those programs serving youth.

Today's hearing is devoted to the reform of our Workplace Preparation Programs that are designed to serve adults. We will hear from leading State and local program administrators, private sector volunteers and providers of education, training and employment services. They will provide us with insight the innovative approaches to employment and training that they have undertaken in their States and communities, as well as providing us with recommendations for reform of our current collection of fragmented programs.

Specifically, on our first panel we'll hear from Mr. Randy Johnson, County Commissioner from Hennepin County, Minnesota, representing the National Association of Counties; Mr. James Dickerson, Chairman of the Central Ozarks Private Industry Council in Camdenton, Missouri, representing the National Association of Private Industry Councils; Mr. Rodo Sofranac, Chairman of the Arizona State Job Training Coordinating Council and former President of the State Chairs National Association; and, Ms. Debra Bowland, Administrator of the Ohio Bureau of Employment Services, Columbus, Ohio, representing the Interstate Conference of Employment Security Agencies.

If we can ask those first four members of the first panel if you would please come up and take your places. We have your written testimonies, and what we do with this little light here is, that starts the clock, when it gets to the yellow I think it means you have one minute left, and the red means you are done, hopefully. So, if you'd like to begin, Mr. Johnson, appreciate your being here, look forward to hearing your testimony. Thank you.

STATEMENT OF RANDY JOHNSON, COUNTY COMMISSIONER, HENNEPIN COUNTY, MINNESOTA

Mr. JOHNSON. Thank you, Mr. Chairman, and Members of the subcommittee. I am Randy Johnson, I am Third Vice President of the National Association of Counties (NACo), and a County Commissioner from Hennepin County, Minnesota. And, in Hennepin County, Minneapolis is our largest city, but two thirds of our 1.2 million people live in the suburbs, small towns and surrounding agricultural area.

County governments play a fundamental and critical role in the Nation's job training system. We are the point where citizens seeking a job meet the employers who need skilled workers.

I'm here to express NACo's views regarding a new work force development system and to talk about the four principles we think should be the foundation of that system. And, I've submitted my written comments and will summarize them now and ask that the written comments also be entered into the record.

We think that the first of the four principles is to consolidate a broad range of training and employment programs into a single work force development system. The second principle is to target work force development services to those most in need, including those facing barriers to employment, those displaced from jobs and those who are considered at risk. The third principle is to recognize the distinct Federal, State and local roles in this system. And, the fourth principle is to make sure that the system is locally based, governed by local elected officials who work with representatives of the private sector to develop a responsive and appropriate set of training and placement services. In my county, in Hennepin County, we are using new technologies to make the system work better.

Simply put, we think that NACo supports your efforts to reform the Nation's job training system and to consolidate the number of programs. The number of programs is excessive and it's duplicative.

Second, we think it's important to target those most in need. Any new job training or work force development system must maintain America's commitment to those people in our society who are most in need and least able to help themselves into the world of self-sufficiency.

We need everyone to contribute their efforts if we are to maintain our position in a world economy where changes in technology will be coming faster and faster.

Third, we believe in a three-tiered system of work force development, Federal, State and local. We recognize that work force system consolidation must take place at every level of government. It must also include the broad array of second chance services, adult education, welfare-related training and employment services. Consolidation at only one level will ultimately prove to be very ineffective and counterproductive. It will fail to achieve the goal of this Congress to develop a coherent and effective work force development system.

We think that all three levels of government must be involved in the development and implementation of a work force development system, and we've listed in the written testimony a number of responsibilities for each level of government that we think is appropriate. For example, at the Federal level developing a vision for America's future work force, and designing a framework for the new work force system. At the State level, establishing partnerships with local elected officials and business representatives, and establishing a comprehensive State employment policy. And, at the local level, sharing governance responsibilities between local elected officials and representatives of the private sector, in developing and implementing locally-based intake and assessment procedures that allow for universal access to programs by those who need them most.

My own State and three county service delivery area is an example of what happens when we set forth opportunities for constructive change in the employment and training field. For the past several years, we've been meeting with the State Job Service, local community action agencies, Reemployment Insurance System and others to develop a new one-stop career center for all of our residents. These efforts have resulted in the Department of Labor designating Minnesota as a demonstration site for the new work force development efforts. We are in the final stages of designing a system that will utilize new information technologies to provide high-quality employment services to everyone in Minnesota. We've developed a fiber optic network throughout the State called MNet. Using this system of telecommunications and linking current and future computer resources we will be able to provide job listings, labor market information, career information and educational opportunities to anyone who has access to a computer. Every school, elementary through college, and every library will be a gateway to the employment and training system. Employers and job seekers can instantly communicate with each other. We will be using a number of other new information technologies.

In summary, Mr. Chairman, NACo supports four basic principles in developing this new vision, consolidate programs, target services to those most in need, recognize the distinct Federal, State and local roles, and set up a system so that it is locally based and governed by local elected officials who work with private sector representatives.

I want to thank you for this opportunity to present the views of the National Association of Counties. We are prepared to work with you to develop and implement an internationally competitive work force development system that makes sense for our communities, our constituents and our local businesses.

Thank you.

Chairman McKEON. Thank you very much. You must have practiced, you hit that right, just perfect.

Mr. JOHNSON. Actually, no, Mr. Chairman, I kind of picked and chose as I went along.

Chairman McKEON. Very good. Thank you.

[The prepared statement of Mr. Johnson follows:]

THE HONORABLE RANDY JOHNSON, COMMISSIONER

COUNTY OF HENNEPIN, MINNESOTA

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE, I AM RANDY JOHNSON, THIRD VICE PRESIDENT OF THE NATIONAL ASSOCIATION OF COUNTIES* (NACO), AND COUNTY COMMISSIONER FROM HENNEPIN COUNTY, MINNESOTA.

COUNTY GOVERNMENT AND JOB TRAINING

COUNTY GOVERNMENTS PLAY A FUNDAMENTAL AND CRITICAL ROLE IN THE NATION'S JOB TRAINING SYSTEM. THIS IS THE POINT WHERE CITIZENS SEEKING A JOB MEET THE EMPLOYERS WHO NEED SKILLED WORKERS.

COUNTY ELECTED OFFICIALS PROVIDE LEADERSHIP, GUIDANCE AND FISCAL INTEGRITY FOR THEIR LOCAL JOB TRAINING PARTNERSHIP ACT PROGRAMS. MANY COUNTY ELECTED OFFICIALS OPERATE THESE JOB TRAINING EFFORTS FOR THEIR JURISDICTIONS WITH THE HELP OF THEIR LOCAL PRIVATE INDUSTRY COUNCILS, WHILE OTHERS CREATE LOCAL PARTNERSHIPS TO PROVIDE EMPLOYMENT AND TRAINING SERVICES. BOTH MODELS TARGET RESOURCES TO PROVIDE HIGH QUALITY EMPLOYMENT OUTCOMES TO

---

*The National Association of Counties is the only national organization representing county government in the United States. Through its membership, urban, suburban and rural counties join together to build effective, responsive county government. The goals of the organization are to: improve county government; serve as the national representative for county government; serve as a liaison between the nation's counties and other levels of government; and achieve public understanding of the role of counties in the federal system.

CONSTITUENTS AND THE LOCAL BUSINESS COMMUNITY. THE SUCCESS OF OUR LOCALLY BASED JOB TRAINING SYSTEMS HAS FORGED A STRONG BOND BETWEEN BUSINESS, LABOR AND THE COMMUNITY.

HOWEVER, I AM NOT HERE TO PROMOTE OR DEFEND THE JOB TRAINING PARTNERSHIP ACT OR TO ARGUE FOR ITS CONTINUATION. RATHER, I AM HERE TO SHARE WITH YOU THE VIEWS AND OPINIONS OF THE NATIONAL ASSOCIATION OF COUNTIES WITH RESPECT TO THE DEVELOPMENT AND ESTABLISHMENT OF A NEW WORKFORCE DEVELOPMENT SYSTEM.

PROGRAM CONSOLIDATION

NACO SUPPORTS YOUR EFFORTS TO REFORM THE NATION'S JOB TRAINING SYSTEM. WE AGREE WITH THE CONCLUSION THAT THE NUMBER OF PROGRAMS DESIGNED TO HELP PEOPLE OBTAIN EMPLOYMENT IS EXCESSIVE AND DUPLICATIVE. AS THE GENERAL ACCOUNTING OFFICE HAS INDICATED, THE EVER INCREASING NUMBER OF JOB TRAINING PROGRAMS THAT ARE PROVIDED AT THE NATIONAL, STATE AND LOCAL LEVELS HAVE RESULTED IN A FRAGMENTED SYSTEM THAT DOES NOT ADEQUATELY MEET THE NEEDS OF AMERICANS SEEKING EMPLOYMENT. AND SCATTERED POINTS OF ACCESS BEWILDER THOSE LEAST ABLE TO NAVIGATE THE MAZE.

NACo BELIEVES THAT MOST, IF NOT ALL, OF THE THESE PROGRAMS SHOULD BE CONSOLIDATED INTO A COMPREHENSIVE WORKFORCE DEVELOPMENT SYSTEM THAT PROVIDES UNIVERSAL ACCESS TO QUALITY WORK FORCE DEVELOPMENT SERVICES THROUGH A SERIES OF ONE STOP EMPLOYMENT AND TRAINING SERVICE CENTERS THAT EMBODY THE SINGLE POINT OF ENTRY OR NO WRONG DOOR APPROACH. IT MAKES NO SENSE TO HAVE SEVERAL SEPARATE AND DISTINCT PROGRAMS FOR DISLOCATED WORKERS, OR TO FRAGMENT THE ECONOMICALLY DISADVANTAGED POPULATION THAT WE WISH TO SERVE ON THE BASIS OF GENDER OR AGE.

FOR MANY YEARS NACo HAS ADVOCATED FOR A STRONG EMPLOYMENT AND TRAINING SYSTEM THAT CONSOLIDATES AND COORDINATES RESOURCES INSTEAD OF DUPLICATING EFFORTS. WE HAVE STATED THAT THESE PROGRAMS SHOULD BE PLACED UNDER A SINGLE COHERENT AND ACCESSIBLE SYSTEM THAT CAN EASILY BE NEGOTIATED BY OUR CONSTITUENTS AND OUR BUSINESS PARTNERS.

TARGET THOSE MOST IN NEED

NACo BELIEVES THAT ANY NEW JOB TRAINING OR WORK FORCE DEVELOPMENT SYSTEM MUST MAINTAIN AMERICA'S COMMITMENT TO THOSE

PEOPLE IN OUR SOCIETY WHO ARE MOST IN NEED AND LEAST ABLE TO HELP THEMSELVES INTO THE WORLD OF SELF-SUFFICIENCY. MEN AND WOMEN WHO FACE SIGNIFICANT BARRIERS TO EMPLOYMENT AND THOSE WHO ARE DISPLACED FROM THEIR JOBS BECAUSE OF ECONOMIC FACTORS SHOULD NOT BE FORGOTTEN.

IN THE YEAR 2000 AND BEYOND, WE WILL NEED EVERYONE TO CONTRIBUTE THEIR WORK EFFORTS IF WE ARE TO MAINTAIN OUR POSITION IN THE WORLD ECONOMY. NACO MEMBERS RECOGNIZE THE NEED TO TRAIN AND RE-TRAIN IN THE FACE OF EVER INCREASING CHANGES WROUGHT BY NEW TECHNOLOGY. WE MUST INCREASE THE OPPORTUNITIES FOR ALL AMERICANS TO GAIN NEW SKILLS AND THEREBY ACHIEVE A STRONG MEASURE OF FINANCIAL INDEPENDENCE.

A THREE TIERED SYSTEM OF WORK FORCE DEVELOPMENT

NACO RECOGNIZES THAT WORK FORCE SYSTEM CONSOLIDATION MUST TAKE PLACE AT EVERY LEVEL OF GOVERNMENT AND MUST INCLUDE THE BROAD ARRAY OF SECOND CHANCE SERVICES, ADULT EDUCATION AND WELFARE RELATED TRAINING AND EMPLOYMENT SERVICES. CONSOLIDATION AT ONLY ONE LEVEL OF GOVERNMENT WILL ULTIMATELY PROVE VERY

INEFFECTIVE AND COUNTERPRODUCTIVE AND WILL FAIL TO ACHIEVE THE GOAL OF THIS CONGRESS TO DEVELOP A COHERENT AND EFFECTIVE WORK FORCE DEVELOPMENT SYSTEM. CONSOLIDATION THAT DOES NOT INCLUDE THE BROAD ARRAY OF SECOND CHANCE SERVICES, ADULT EDUCATION AND WELFARE RELATED TRAINING AND EMPLOYMENT SERVICES WILL FAIL TO BRING TOGETHER THOSE PROGRAMS THAT PROVIDE THE KINDS OF IN DEPTH AND BROAD-BASED WORK FORCE DEVELOPMENT SERVICES OUR CONSTITUENTS NEED.

NACO ALSO BELIEVES THAT ALL THREE LEVELS OF GOVERNMENT MUST BE INVOLVED IN THE DEVELOPMENT AND IMPLEMENTATION OF A NATIONAL WORK FORCE DEVELOPMENT SYSTEM. SPECIFICALLY, THE FEDERAL GOVERNMENT MUST:

- DEVELOP A VISION FOR AMERICA'S FUTURE WORK FORCE;
- DESIGN THE FRAMEWORK FOR A NEW WORK FORCE SYSTEM;
- PROVIDE FOR A CUSTOMER ORIENTED, QUALITY DRIVEN APPROACH;
- DEVELOP AND PROVIDE TIMELY LABOR MARKET INFORMATION;
- ESTABLISH A NATIONAL COUNCIL CONSISTING OF NATIONAL, STATE AND LOCAL REPRESENTATIVES, INCLUDING ELECTED

OFFICIALS AND BROAD PRIVATE SECTOR REPRESENTATION TO GUIDE THE NEW SYSTEM;

- ESTABLISH PERFORMANCE STANDARDS;
- PROVIDE TECHNICAL ASSISTANCE TO STATES AND LOCALITIES;
- ADVANCE CLEAR AUDIT AND MONITORING STANDARDS WHICH ENCOURAGE INNOVATION AND CREATIVITY;
- PROVIDE DISCRETIONARY DEMONSTRATION GRANT FUNDING; AND
- WAIVE STATUTORY AND REGULATORY REQUIREMENTS THAT IMPEDE THE DELIVERY OF SERVICES.

STATES SHOULD:

- ESTABLISH PARTNERSHIPS WITH LOCAL ELECTED OFFICIALS AND BUSINESS REPRESENTATIVES;
- ESTABLISH A COMPREHENSIVE STATE EMPLOYMENT POLICY;
- CREATE STATE HUMAN RESOURCE INVESTMENT COUNCILS;
- DEVELOP AND MAINTAIN STATE LABOR MARKET INFORMATION;
- MONITOR AND OVERSEE LOCAL EMPLOYMENT AND TRAINING SYSTEMS;

- PROVIDE DISCRETIONARY FUNDS FOR EMERGENCIES AND ECONOMIC SHIFTS; AND
- ADMINISTER THE UNEMPLOYMENT INSURANCE SYSTEM.

LOCALITIES MUST BE RESPONSIBLE FOR:

- DEVELOPING SHARED GOVERNANCE RESPONSIBILITIES BETWEEN LOCAL ELECTED OFFICIALS AND REPRESENTATIVES OF THE PRIVATE SECTOR;
- DEVELOPING AND IMPLEMENTING LOCALLY BASED INTAKE AND ASSESSMENT PROCEDURES AND PRACTICES THAT ALLOW FOR UNIVERSAL ACCESS TO PROGRAMS AND SERVICES BY THOSE WHO NEED THEM MOST;
- DEVELOPING AND IMPLEMENTING SPECIFIC WORK FORCE DEVELOPMENT PROGRAMS THAT ARE RESPONSIVE TO THE PARTICULAR NEEDS OF TRAINEES AND THE BUSINESS COMMUNITY; AND
- COORDINATING ACTIVITIES, INCLUDING WAIVERS, AND ESTABLISH LOCALLY BASED COLLABORATIVE EFFORTS BETWEEN THE VARIOUS EDUCATIONAL, SOCIAL SERVICES AND HUMAN RESOURCE PROGRAMS WITHIN OUR COMMUNITIES.

Reform at the Local Level

My own state and three county service delivery area is an example of what happens when you set forth opportunities for constructive change in the employment and training field. We are currently creating a new work force development system such as advocated by NACo.

For the past several years, we have been meeting with the state job service, the local community action agencies, the reemployment insurance system plus services to the blind and rehabilitation services to develop a new one stop career center for all of our residents. These efforts have resulted in the US Department of Labor designating Minnesota as a demonstration site for the new work force development efforts.

We are currently in the final stages of design of a system that will utilize technology to provide high quality employment services to everyone in Minnesota. Our vision is based on the principles of the Internet.

Minnesota has developed a fiber optic network throughout the state called MNet. Using this system of telecommunications and linking current and future computer resources, we will be able to provide job listings, labor market information, career information, and educational opportunities to anyone who has access to a computer. Every school -- elementary through college -- will have one of the resources of the employment and training system available at their fingertips. Employers and job seekers can instantly communicate with each other, applicants in rural areas will be able to access data and services without regard to location. Every library can be a one-stop location for employment and training. The use of sophisticated technology such as magnetic strip drivers licenses will allow us to provide a vast amount of services to our constituents while still allowing high quality client case management services to those who need special attention.

Besides this new vision of how to provide employment and training, we have forged a new state and local partnership with plans to consolidate programs as envisioned by the Congress.

STATES WORKING COOPERATIVELY WITH LOCAL GOVERNMENTS HAVE THE ABILITY TO MAKE PARADIGM SHIFTS THAT NEITHER COULD DO THEMSELVES. AS WE TACKLE WELFARE TO WORK AND OTHER EXTREMELY DIFFICULT CONCEPTS, LET US DEVELOP A NEW VISION OF WORK FORCE DEVELOPMENT THAT BUILDS ON THE STRENGTHS OF EACH PARTNER, FEDERAL, STATE AND LOCAL.

SUMMARY

IN SUMMARY, NACO SUPPORTS:

- CONGRESSIONAL EFFORTS TO CONSOLIDATE A BROAD RANGE OF TRAINING AND EMPLOYMENT PROGRAMS INTO A SINGLE WORK FORCE DEVELOPMENT SYSTEM;
- EFFORTS TO TARGET WORKFORCE DEVELOPMENT SERVICES TO THOSE MOST IN NEED, INCLUDING THOSE FACING BARRIERS TO EMPLOYMENT, THOSE DISPLACED FROM JOBS AND THOSE WHO ARE CONSIDERED AT-RISK;
- LEGISLATION THAT PROVIDES FOR DISTINCT FEDERAL, STATE AND LOCAL ROLES AS PREVIOUSLY DESCRIBED; AND
- A SYSTEM THAT IS LOCALLY BASED, GOVERNED BY LOCAL ELECTED OFFICIALS WHO WORK WITH THE REPRESENTATIVES OF THE PRIVATE SECTOR

TO DEVELOP A RESPONSIVE AND APPROPRIATE SET OF TRAINING AND PLACEMENT SERVICES.

MR. CHAIRMAN, I WOULD LIKE TO THANK YOU FOR THIS OPPORTUNITY TO PRESENT THE VIEWS OF THE NATIONAL ASSOCIATION OF COUNTIES. WE ARE PREPARED TO WORK WITH YOU TO DEVELOP AND IMPLEMENT AN INTERNATIONALLY COMPETITIVE WORK FORCE DEVELOPMENT SYSTEM THAT MAKES SENSE FOR OUR COMMUNITIES, OUR CONSTITUENTS AND OUR LOCAL BUSINESSES.

BEST COPY AVAILABLE

Chairman. McKEON. Mr. Dickerson.

STATEMENT OF JAMES DICKERSON, PRIVATE INDUSTRY COUNCIL CHAIR, CENTRAL OZARKS PRIVATE INDUSTRY COUNCIL

Mr. DICKERSON. Thank you.

Mr. Chairman, Members of the committee, I appreciate the opportunity to appear before you today to discuss the critical necessity of establishing local business leadership as the cornerstone of a consolidated, reformed and revitalized work force development system.

I'm James Dickerson, owner and President of St. Clair Publishing Company in Camdenton, and I'm Chair of Central Ozarks Private Industry Council, Incorporated. I'm appearing before you today on behalf of the National Associate of Private Industry Councils, on whose Board I serve as Secretary.

NAPIC is the only national organization representing the Nation's Private Industry Councils. Our membership includes 550 PICs and half of the state job training coordinating councils. Our Board of Directors is comprised of volunteers from the business community.

Before I begin my formal testimony, I would like to note my dismay, shared by tens of thousands of business people who support PICs and job training investments, at the myth being put forth day after day that job training does not work. Yes, it is true that Federal investments suffer from duplication, overlap and unnecessary complexity. But, such complexity, primarily created at the Federal level, does not equate with failure. PICs struggle every day with complexity and the duplication inherent in the current maze of programs. Most of the time we succeed in bringing some order to the local level.

Rather than concluding that nothing works, the facts suggest that training has a positive impact. More than 20 years of research demonstrates without a doubt that training tied to private sector specifications works, that training of sufficient duration to impart basic skills, as well as occupational skills, works, and that training on the job in the private sector works.

The challenge before us, therefore, today is to build on that which works and to eliminate that which has proven ineffective.

As the committee determines the structure, parameters and elements of a reformed training and employment system, I would like to share some of my thoughts and the thoughts of other PIC members that we have garnered through our involvement.

An effective training and employment system must involve the private sector, the ultimate customer. Private sector involvement is essential to ensure that the training is relevant to employment opportunities in the local market. We appreciate the emphasis placed on private sector involvement in H.R. 511 and anticipate a favorable reaction from our membership once the complete bill is introduced. Research shows that the most effective training combines academic learning with occupational skills, turning workplaces into learning environments and providing a context to classroom learning.

Accomplishing this integration will require the involvement of the local business community. NAPIC believes the best way to involve the private sector is through the establishment of business-led local policy boards to set goals, meet performance standards, approve budgets, enforce decisions through oversight and evaluation. By business-led boards, we mean boards with a majority business representation and a business sector chair.

In addition, we welcome and solicit the continued valued representation from organized labor, education, community groups on the PICs. We also solicit the continued partnership that we have with our appointing authorities, the local elected officials.

The issue is not the name here, but the absolute requirement of business leadership. In order to sustain the business community's interest, we must give them a meaningful role with real authority and input. Appointing them to boards dominated by bureaucrats, or that are merely advisory in nature, will be a sure way to waste our time.

The business community is not interested in advising government on training issues. Business volunteers must add real value to the public, employment and training enterprise, or they will find a more productive way to support their communities.

In closing, NAPIC supports the goals of the committee, as expressed by you, Mr. Goodling, Mr. Gunderson and others over the past few years. We are particularly supportive of the committee's desire to merge many of the various Federal training programs and to a few well-defined programs with clear goals and objectives. Consolidating the numerous training employment programs should increase access to training, minimize confusion and reduce administrative cost. Consolidation through block grants alone, however, will not achieve these objectives. Block grants must provide for local involvement. Decisions concerning the design and delivery of training must be made closest to the customer at the local level.

NAPIC does not believe that H.R. 1120 represents an improvement for the training and employment system. This bill would create a single block grant to the States without any provisions for local involvement.

Mr. Chairman, I thank you for inviting NAPIC to comment today. NAPIC looks forward to working with you on further issues. That concludes my remarks, and I'd be glad to answer any questions.

Chairman McKEON. Thank you very much.

[The prepared statement of Mr. Dickerson follows:]

JAMES DICKERSON
Chair
Central Ozarks Private Industry Council, Inc.
Rolla, Missouri

Mr. Chairman, members of the Subcommittee, I appreciate the opportunity to appear before you to discuss how best to reform our nation's employment and training system. I am James Dickerson, owner and President of St. Clair Publishing Company in Camdenton, Missouri, and Chair of the Central Ozarks Private Industry Council, Incorporated. I am appearing today on behalf of the National Association of Private Industry Councils (NAPIC), on whose Board I serve as Secretary.

NAPIC is the only national membership organization representing the nation's Private Industry Councils. Our membership includes some 550 PICs and half of the state job training coordinating councils (SJTCCs). Policy for the association is determined by an elected board of directors comprised principally of volunteers from the business community who are current or former chairs of local PICs and state councils. NAPIC seeks to strengthen private sector leadership in promoting effective workforce development policy at the local level, to assist PICs in improving their ability to govern local systems, and to represent the interests of PICs at the national level.

CONFRONTING THE "JOB-TRAINING MYTH" THAT NOTHING WORKS

Mr. Chairman, I will start my testimony by noting my dismay -- shared by tens of thousands of business people who support PICs and job training investments -- at the myth being put forth day after day by those at both fringes of the political spectrum that job training does not work. Yes, it is true that federal investments suffer from duplication, overlap, and unnecessary complexity. But such complexity, primarily created at the federal level, does not equate with failure. PICs struggle every day with the complexity and duplication inherent in the current maze of programs. Most of the time they succeed in bringing some order to the local level.

Rather than concluding that nothing works, the facts suggest that training has a positive impact. More than twenty years of research demonstrate without a doubt that training tied to private sector specifications in growth areas works, that training of sufficient duration to impart basic as well as occupational skills works, and that training on-the-job in the private sector works. We must admit that the results of training have been somewhat discouraging for two groups: ill-educated youths who are alienated from our mainstream culture and highly dependent, long-term welfare recipients with multiple barriers to employment. Yet even for these groups there are model programs around the country that suggest we should not divest our training initiatives. However, we will need comprehensive approaches that are often difficult to establish given the fragmentation of social service, education, and training programs. Certainly, this subcommittee will play a leadership role in making the legislative changes that allow for comprehensive approaches at the local level.

BEST COPY AVAILABLE

Although some job training programs are not as effective as we would like and should be improved, job training programs as a whole do work. Under PIC leadership, in-school programs and summer jobs programs provide thousands of low-income youths with new opportunities to succeed in school and on-the-job. They give at-risk youth with poor long-term employment prospects, because of barriers such as mental and physical disabilities and poor basic educational skills, a second chance. These programs provide compensatory education, exposure to the world of work and to private sector job opportunities, the opportunity to perform productive work and the chance to learn positive attitudes toward work and learning.

PIC-supported placement and training programs for dislocated workers reduce the period of unemployment following lay-off, provide new skills in demand occupations for those who enter occupational training, and generally result in higher wages for dislocated workers than would have occurred without the programs. PIC-led programs for disadvantaged adults result in improved incomes and return more to the government through taxes paid by the trainees than the programs cost the taxpayers.

These are the real stories of job training investments. PICs are working hard to get the real story to the American people. With this subcommittee's help, we can get the whole story to members of Congress as well. We need reform, we need continuous improvement, and we need to do a better job of developing a market-driven instead of a supply-driven approach to training. But we also need to recognize the many aspects of job training that are working. Above all, we need a bi-partisan effort to build upon the positive evolution of job training over the past two decades.

THE PRIVATE SECTOR: KEY TO A MARKET-DRIVEN WORKFORCE DEVELOPMENT SYSTEM

Mr. Chairman, I will spell out NAPIC's vision for a reformed, revitalized workforce development system in some detail below. First, however, I must spend a few moments pointing out the absolute necessity for a business-led system.

It strikes us that the federal government's role in preparing a world class workforce should focus: First, on setting the broad vision, structure, goals, objectives and performance measurements that help to ensure the economic well being of our citizens in the global economy of the next century. Second, on providing support for programs targeted to those who are in danger of permanent unemployment and underemployment because of economic and social trends beyond the reach of individual communities and states.

On both points, it is incumbent on the federal level to require and support business leadership over the investments made by the federal government. Our greatest challenge is to turn our publicly financed education and training institutions from supply-driven ones to market-driven ones. We can do this by learning from the PIC-experience of the last fifteen years and improving upon it.

First, we need business-led boards, by which we mean boards with a majority business representation and a business-sector chair, to oversee and approve job training investments. These boards might be called PICs, but in the spirit of reform, we can support a new name, such as Workforce Development Board or Regional Employment Board. The issue is not the name but the absolute requirement of business leadership, regardless of the name.

Second, the boards must have real authority. The business community is not interested in advising government on training issues. Business volunteers must add real value to the public employment and training enterprise or they will find more productive ways to support their communities. The boards should have the authority -- the mandate -- to develop local strategic goals and objectives, approve plans and budgets, oversee training programs and services, and mandate accountability and continuous improvement through performance standards, measurable skill standards, and other management mechanisms. In short, the boards should be defined as *governance* boards.

Third, the boards must oversee workforce investment decisions at the level where hiring decisions are made. We think that this area would normally be a labor market area; however, we believe that state and local elected officials, in cooperation with business leaders and educators, should have flexibility in setting the governance areas within the state.

Fourth, while the boards are business-led, they also should represent the community leadership from the public and nonprofit sectors, including organized labor, education, economic development, and community groups.

Fifth, the boards should exercise their authority in partnership with state and local elected officials. Elected officials are responsible to the voters and, therefore, are essential partners in ensuring that the taxpayers' investments serve their needs.

Sixth, the boards should be authorized to approve local labor exchange services, to approve labor market information programs, to approve contracts for one-stop career centers, to develop and implement customer satisfaction measures, to develop and promote voluntary skill standards in the local business community, to assist in the implementation of school-to-work transition systems, and to approve training programs based both on their relevance to entry-level requirements in the private sector and the labor market demand for the particular training.

Finally, the boards themselves should be accountable for results. Boards that cannot produce the systemic change called for if American business is to compete in the world economy, should be replaced. In our view, boards that have private sector leadership, a vision of a locally responsive workforce development system, authority to implement their vision, the ability to hold providers accountable for results, and the responsibility to measure their achievements, will succeed. Nonetheless, those boards that cannot measure up to this task should be replaced and the flexibility to do so should be included in the legislation.

Mr. Chairman, this is our vision for the business role in workforce development. Some of us have met with committed private sector counterparts in various countries of Europe. Quite frankly, we are behind our major competitors both in our own companies and in how we organize our public initiatives. We do not have time to lose in making the systemic reforms that will recognize business as the market force that should drive our training investments. For this reason, we are disturbed by some of the legislative proposals we see. In particular, H.R. 1120 concerns us. It would return the federal government's role to a hands-off approach vis a vis job training needs in the private sector market. It would continue the supply-driven mentality of government over the market-driven approach we need, except where governors had the foresight and courage to demand change. Rather than going back to the passive approach of the '70s, we encourage this subcommittee to lead the way in developing a market approach as reflected in the proposals of members of the subcommittee and full committee.

Much has been learned through the network of Private Industry Councils. Much needs to be done to build on this initial progress. In the interest of simplicity, in the remainder of our statement, we will use "PIC" to refer to the boards that we envision. Again, we recognize that the name is not the important issue. At the same time, we ask you to recognize that business needs your assistance in making the goal of active business leadership a reality.

THE NEED FOR A NEW DIRECTION

Current workforce trends and challenges facing the nation demand a broader-based, more comprehensive response to preparing and upgrading our workforce than is feasible through the Job Training Partnership Act (JTPA) or any other individual program or law. The current maze of job training delivery systems and programs was developed over the past 50 years during the zenith of America's industrial era. Each new problem led to a new program. As you know, this approach to problem solving no longer works. The pace of economic change and the consequent demand for flexible, skilled labor have outpaced the ability of our fragmented education and training institutions to respond.

Federal efforts must expand beyond target groups, and a categorical focus of programs such as JTPA and JOBs, oriented primarily as second-chance programs for the poor and ill-educated. The emergence of a global economy has created a new scenario requiring a new response in public policy. This scenario dictates redirecting our focus toward a workforce development system that offers employment and training opportunities to all workers while offering hope and improved assistance to the economically disadvantaged. This revised mainstream system will need to assist:

- Young people making the transition from school to work;
- People who face significant barriers to a level of employment that provides for economic self-sufficiency; and

- Experienced workers, including dislocated workers, who are in jeopardy of unemployment or underemployment because they possess inadequate or nontransferable skills.

A competitive workforce demands a workforce development system for the next century that serves all these groups. Such a system will offer a baseline of labor market information, an education and training data base, assessment, referral to appropriate education, training, and supportive services, and job placement services to all in need of such assistance. The public policy-setting process will need to sort out who will pay for various services among the federal and state governments, employers, and individuals. In any case, a cost-effective system will need to include a local private-public board empowered to compel the integration of programs and services for targeted populations which are funded primarily through government expenditures. Above all, a private-public partnership at the labor market level must be authorized to ensure that education and training meet the current and evolving needs of employers for a skilled workforce.

Simply put, we must build a system that breaks down the barriers among education, job training, welfare, and other government agencies. And we must do so in a way which makes the private sector an active participant. It must be a system that builds on high schools and community colleges, and a system that encompasses the billions invested annually by the federal government. Furthermore, it is imperative that it be a system that is responsive to the mainstream as well as to the disadvantaged.

The creation of a workforce development system will require a combination of major reforms, better coordination, and clearer performance criteria. The issue before us is how to map out the needed changes and how to implement them. It is the view of NAPIC that significant change can occur most rapidly and most efficiently at the state and local levels through the establishment of policy boards to set goals, develop performance measures, approve budgets, and enforce decisions through oversight and evaluation.

WHAT THE NEW SYSTEM SHOULD LOOK LIKE

A job training system to meet the needs of the twenty-first century should be characterized by:

- **Decision-making vested at the labor market level** *Each labor market in the country has a unique combination of business and participant needs, and a different mix of education and job referral mechanisms to address these needs. To be responsive to its customers, a job training system must be able to make local decisions consistent with state and national goals.*

- **Private sector leadership** *Job skills, current as well as projected, are the focus of a workforce development system. As the source of most jobs, the private sector will bring effective focus to the system. Therefore, private sector participation* *must be built into the governance of the system in order to ensure that employers hire workforce investment system trainees.*

- **True private-public partnership accountable for results** *A partnership requires independent decision-making authority vested in both public officials and a locally representative, business-led policy board, such as the Private Industry Council. Authority coupled with performance requirements ensure the value of the public investment in education and job training.*

- **Sensitivity to local market requirements for employment** *An effective workforce development system requires accurate, timely labor market information to ensure that training is appropriate and responsive to the needs of local employers.*

- **Requirements for cooperative efforts among the various federal, state, and local workforce investment-related agencies** *Local, business led policy boards in partnership with elected officials and leaders in community service and education will set goals for coordination among various agencies at the labor market level. Federal funding to states and localities must include clear requirements to implement these cooperative efforts. State councils and local boards should have the authority to mandate coordination as a condition of funding among the many agencies which will provide services under the systemic approach envisioned. In addition, federal and state legislation should provide for waivers of regulations in cases where cooperation is inhibited by such regulations.*

- **Willingness to test new concepts** *Too often the incentives for public agencies work against innovation and the risk taking that innovation demands. PICs have shown a willingness to test new concepts and try new approaches. In this era of rapid economic and technological change, the workforce development system must encourage experimentation or it will soon become outdated to the needs of the economy.*

Finally, the success of the PIC as a workforce development council and the efficacy of the workforce system itself should be measured in very practical terms that the public can understand. A workforce development system for the global economy must:

- Be easily accessible to any individual who wants or needs a job, education, or training;

- Provide well-trained people for all employers; and

- Provide employers with assistance and support for offering life-long learning and for the creation of a high-performance workforce.

The key to progress toward a national system of training and employment for all Americans lies in a coordinated approach initiated by state and local governments, supported by federal regulatory waivers where needed, and harnessed to private sector leadership at all levels. In fact, significant progress in state-local cooperation already is underway in the states of Connecticut, Maryland, Massachusetts, New Jersey, North Carolina, Oregon, Rhode Island, and Texas. Other states are considering similar approaches.

PICs Provide the Foundation for a Workforce Development System

The kind of workforce development system proposed by business leaders, public policy experts, elected officials, and others, can be created as a totally new program or initiative, or it can be built on the foundation of the successful private-public partnership represented by the nation's 640 Private Industry Councils. State governments and PICs already have begun to develop a broader strategy to respond to the challenge of weaving together fragmented programs into a coherent system. Through partnerships with other key organizations and agencies, they are promoting the creation of true workforce development system based on an expanded PIC as the local policy and oversight body.

Why the PIC? PICs have proven that the private-public partnership works. Business leaders control the direction of PICs. Businesses know what is needed to fuel their labor forces; and PICs provide an experienced, in-place national mechanism on which to build a more encompassing private-public partnership.

Regardless of whether the Congress decides to use PICs as the foundation of a new system, NAPIC strongly believes that private sector involvement at all levels of the system must be maintained in order to ensure that the training provided remains relevant to the needs of private sector employers and leads to employment for trainees. We appreciate the emphasis placed on private sector involvement in H.R. 511 and anticipate a favorable response from our membership once the complete bill is introduced.

Private sector leadership of workforce development provides credibility for the system among those responsible for hiring in the business community and it gives to the system a predominant focus on results. To be effective, these policy boards must continue to be comprised of a majority of members from the private sector. Private sector volunteers bring a neutral perspective and business approach to public programs, emphasizing outcomes over process and collaboration over turf protection. The private sector members also contribute vital labor market information and an understanding of labor market trends which are essential to any successful employment and training effort.

PROVIDING CUSTOMER SATISFACTION THROUGH A LOCAL DELIVERY SYSTEM

NAPIC commends the Subcommittee's efforts to streamline the present hodge podge of employment and training programs, and supports many of the goals outlined in H.R. 511. Specifically, we agree that states and localities must have maximum authority for operation of state and local programs; that the system should be accountable and provide easy access and customer choice; that we must improve education and workforce preparation programs and promote lifelong learning; and that an effective system is dependent upon the establishment of a comprehensive, integrated labor market information system.

There are some current proposals, such as H.R. 1120, which call for the consolidation of programs without consideration of a local delivery system. NAPIC believes that workforce development systems must be designed to meet local customer needs, those of both the employers and the participants. States have a significant role to play in facilitating local workforce development systems, but cannot create a statewide system that responds to the dynamic market forces of local labor markets.

To provide accountability, as mentioned before, NAPIC believes that you must create local policy boards that have real authority and responsibility. These boards perform the functions of strategic planning, policy guidance, budget approval, identification of occupations in demand and local training needs, and oversight of the system.

LABOR MARKET INFORMATION

NAPIC believes that an essential ingredient to an effective workforce development system is timely and useful labor market information (LMI). We need to upgrade existing LMI if we want maximum impact for our training investments. This task will require funds for research and the testing of new data bases and user-friendly technologies. Legislation should focus on developing and providing understandable, pertinent information upon which to base programmatic investments and individual career choices. Currently, the content of labor market data is driven by the statistical requirements and information needs of national users including the Bureau of Labor Statistics and the Congress. If you wish to develop a system that serves the workforce education and training requirements of individuals within a local workforce investment system, you must change the incentives so that LMI responds to the needs of local users.

CONCLUSION

Changes in the American economy are forcing a new approach to public policy in education and workforce investment; an approach based on a mainstream system rather than on one devoted only to the poor.

Mr. Chairman, the National Association of Private Industry Councils supports the goals articulated by this Subcommittee. In particular, we support the following elements for a revitalized workforce development system:

- Developing a mainstream system of employment and training built on the private-public partnership model embodied in the Private Industry Councils;
- Merging a variety of federal programs into a few block grants with clear local authority and accountability;
- Integrating federally funded training and employment services through the creation of one-stop career centers; and
- Building the concept of life-long learning, including school-to-work transition for youths, into all workforce development programs.

There are many Americans who want to work to their full capacity, but lack the skills to do so. Many companies are moving to high-skill work organizations, but they need assistance in making the transition, and many need help in developing a world-class workforce.

A private-public partnership is the proven way to help people and businesses achieve these objectives. PICs will be the basis of the new system. Otherwise, the United States will waste the valuable years of successful experience amassed by 640 PICs, 17,000 community leaders, including over 10,000 business volunteers, and the partnership among business, government, labor, education, and community groups represented by this effort.

Mr. Chairman, I thank you for inviting NAPIC to comment. NAPIC looks forward to working with you further on the issues raised here. This concludes my prepared remarks. I would be happy to answer any questions.

Chairman McKEON. Now, let me see, Mr. Sofranac?

Mr. SOFRANAC. Sofranac.

Chairman McKEON. Sofranac, is that close?

Mr. SOFRANAC. That's very close.

Chairman McKEON. Thank you.

Mr. SOFRANAC. A few days ago it was Rod O. Sofranac, you know.

Chairman McKEON. Thank you.

STATEMENT OF RODO SOFRANAC, CHAIRMAN, ARIZONA JOB TRAINING COORDINATING COUNCIL

Mr. SOFRANAC. Mr. Chairman, committee Members, thank you for the opportunity to appear before the Subcommittee on Postsecondary Education, Training and Life-Long Learning. I'm here today representing the National Association of State Work Force Investment Policy Council Chairs and the Arizona Employment and Training Council. We've got a name almost as long as your committee.

We appreciate the attention this committee is giving to the problem of multiple and fragmented training, employment and education programs. We support the goal of building a single, coherent approach to employment and training to assist all job seekers in entering the work force, gaining basic skills, or retraining for new jobs. We are pleased to have the opportunity to present the perspective of the Chairs Association on achieving this goal.

As you know, the Councils are authorized under the Job Training Partnership Act to advise governors on education, job training and employment policy and programs that provide for the preparation and development of the work force. The Chairs are private sector individuals, like other members of the Councils are appointed by their governors. Our Association was formed in 1988 to provide a unified voice for the State Council on work force development issues.

Two years ago we prepared our first issues document called "Bring Down the Barriers." In "Bring Down the Barriers" we identified major barriers to an integrated, high-quality work force system. In that paper, we asserted that the Nation's economic future depends on finding common ground to advance the development of its work force. A number of policy recommendations were presented calling for a comprehensive integrated work force development system guided by the mission of building a globally competitive work force.

In promoting the restructuring of a work force development system in American workers, our Association has run under three basic guiding principles. Number one is personal responsibility. The second one is a strong private sector involvement, and the third is primary governance at the State and local levels.

Based on these three principles, and based on information from "Bring Down The Barriers," last year we began the process of developing a framework for a "world-class" work force investment system that draws on the best practices from the current mix of programs and experiences of the private sector. After many hours of discussion and debate and involving a number of our partners, we reached consensus on a policy paper entitled "Advancing America's Work Force," in which we present a framework for the next generation of national work force investment system that is State based and locally designed.

I'd like to submit this copy of the paper also as part of my testimony.

We have met, as I mentioned, with a number of our partners in developing this paper. In the back of the paper, in fact, it has 10 of our partners commenting on their support or other information along with this paper.

For the remainder of my testimony I'd like to highlight some of the key points from the paper, and also draw on some of the recent State efforts in restructuring the work force development system.

First of all, we outline in the paper the purpose of the national work force investment system to be providing every youth and adult with the opportunity for continually upgrading their skills in order to advance economically and socially throughout their lifetime; and in turn to provide employers with the skilled workers necessary to be competitive in the 21st century global market place.

As you can see, we identify the customers to be all youth and adults and all employers. It really has to be a comprehensive system that addresses the whole concept of life-long learning and continuous development.

Within that purpose, and within those definitions, we outlined seven basic principles guiding this element. One is market-driven with customer choice. The second is private sector leadership and direct involvement. The third is to have an outcome-based and accountability aspect to it. The fourth is a State-based and locally designed delivery. The fifth is streamlined governance and operation. The sixth is a continuous system of life-long learning, and the seventh is a connection between work force and economic development.

Now, to ensure that these principles are carried out, the system must be governed through new Federal, State and local partnerships which clearly define roles and responsibilities at each level. In the paper, we've identified the Federal role, basically, to provide a vision for the system, develop broad policy in establishing national priorities. The State role is also identified in the paper and some guidelines there is a State vision for the system, developing statewide a strategic plan, determining funding needs and deciding on substate funding allocation. We've also identified the local role, to designing and administering the local delivery system, establishing performance measure, and evaluating local providers, also including customer satisfaction and a continuous improvement system.

We've made five specific recommendations in the paper and they are for you to review and to read and your staff has provided some great guidance along that line.

In addition, Mr. Chairman, over the past few years States like Arizona, others like Massachusetts, Connecticut and New Jersey, have gone further in establishing local regional work force councils to coordinate resources within the labor market.

I guess I'm going to thank you for allowing me to make those comments, and also deep appreciation to your staff over the last number of years for allowing us to participate in this restructuring process, and I'll also be available for questions.

Chairman McKEON. Thank you very much.

[The prepared statement of Mr. Sofranac follows:]

NATIONAL ASSOCIATION OF STATE WORKFORCE INVESTMENT POLICY COUNCIL CHAIRS

TESTIMONY OF RODO SOFRANAC,
CHAIR OF THE ARIZONA JOB TRAINING COORDINATING COUNCIL
before the
SUBCOMMITTEE ON POSTSECONDARY EDUCATION, TRAINING AND LIFE-LONG LEARNING of the COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES,
UNITED HOUSE OF REPRESENTATIVES
MARCH 21, 1995

Mr. Chairman and Committee members, thank you for the opportunity to appear before the Subcommittee on Postsecondary Education, Training and Life-long Learning. I am here today representing the National Association of State Work force Investment Policy Council Chairs. We appreciate the attention this Committee is giving to the problem of multiple and fragmented training, employment and education programs. We support the goal of building a single, coherent approach to employment and training -- to assist all job seekers in entering the work force, gaining basic skills, or retraining for new jobs. We are pleased to have the opportunity to present the perspective of the Chairs Association on achieving this goal.

I will briefly explain about the State Job Training Coordinating Councils and Human Resource Investment Councils whose Chairs make up the membership of the Chairs Association. The Councils are authorized under the Job Training Partnership Act to advise Governors on education, job training, and employment policy and programs that provide for the preparation and development of the workforce. The Chairs are mostly private sector executives who, like the other members of the Councils, are appointed by their Governors. Our Association was organized in 1988 to provides a unified voice for State Councils on workforce development issues. The Association works to strengthen and improve the quality of training and employment programs, and coordinates with other national organizations on areas of common interest.

As Chairs, we bring to these issues both the perspective of the private sector and the views of our respective Governors. In 1993, our Association issued a policy paper entitled *Bring Down the Barriers* that identified major barriers to an integrated, high quality workforce investment system. In the paper we asserted that the nation's economic future depends on finding common ground to advance the development of its workforce. A number of policy recommendations were presented calling for a comprehensive, integrated workforce development system guided by the mission of building a globally competitive workforce.

In promoting the restructuring of our work force development system to advance America's workers, our Association has consistently advocated three transcending principles: 1) personal responsibility, 2) strong private sector involvement, and 3) primary governance at the state and local levels.

Based on these principles, the Chairs initiated a process in 1994 for developing a framework for a "world-class" work force investment system that draws on the best practices from the current mix of programs and the experiences of the private sector. After many hours of discussion and debate, we reached consensus on a policy paper entitled *Advancing America's Work force* in which we present a framework for the next generation of a national work force investment system that is state-based and locally designed.

I would like to submit a copy of this paper as part of my testimony. We have meet with other public interest groups, Administration officials and Congressional staff to promote discussion of the paper with the goal of reaching consensus on a framework for a national system.

For the remainder of my testimony I will highlight key points from the paper and draw on states' efforts in restructuring their work force development systems to illustrate some of these points.

We believe the purpose of a national work force investment system is to **provide every youth and adult with the opportunity for continuously upgrading their skills in order to advance economically and socially throughout their lifetime; and in turn to provide employers with the skilled workers necessary to be competitive in the 21st century global market place.**

The customers of the system are **all youth and adults**, including those in transition from school to work, welfare to work, unemployment to work, work to work (job improvement and skill upgrade) and others in a variety of career transitions, and **all employers**, including individual entrepreneurs, and small, medium, and large firms, are both customers and users of the system.

We advocate seven principles in the paper to guide the restructuring of the system. These are:

- **Market-driven with customer choice** -- The system must be designed to address local labor market needs focusing on the needs of individuals and employers. It should be easily accessible and responsive to the needs of these customers, providing customer choice through good labor market and provider performance information and a variety of funding vehicles.
- **Private sector leadership and direct involvement** -- Employers and workers must be involved in governance at all levels of the system and in defining the outcomes and setting the standards to be achieved by the system. The public and private sectors must share responsibility for achieving these outcomes. The system must be valued and used by employers and workers, provide a direct link to private sector training systems and promote and support work-based training particularly in small and medium-sized firms.

- **Outcome-based and accountable** -- The system should be guided by a set of clear, simple and measurable outcomes that are defined at the national level and adjusted or added to at the state and local levels based on customer needs. Performance management systems should be in place throughout the system to measure the value added at each level in the system and by each intervention based on these outcomes. Methods to continuously improve the achievement of outcomes and the evaluation of impacts should be applied throughout the system.
- **State-based and locally designed and delivered** -- States and localities must have the flexibility to design a system that reflects statewide and local labor market needs. This includes the authority to integrate similar programs, determine appropriate governance for the system, and set outcome-based standards for services. Responsibility for design of the service delivery system should rest with entities closest to the customer.
- **Streamlined governance and operation** -- Consolidate and streamline existing work force development programs across all relevant federal agencies to include: simplifying governance at all levels; modifying funding approaches; consolidating planning at state and local levels; utilizing common definitions throughout the system; establishing standard eligibility requirements; synchronizing program operating years; simplifying fiscal management and reporting systems, and integrating with other public and private support systems.
- **Continuous system of lifelong learning** -- The system should encourage and support lifelong learning and concentrate on moving individuals into jobs to gain experience in the labor market as early as possible supported by ongoing education and training opportunities to continuously upgrade their knowledge and skills. This requires a seamless system that connects elementary, secondary, post secondary, adult, and work-based training and education and is driven by a common set of academic and occupational skill standards leading to portable credentials, and supported by public and private resources.

evaluating the performance of local providers, determining customer satisfaction, and implementing processes to continually improve the quality of services.

The governance structure should include workforce investment policy boards at all levels of the system with strong private sector representation along with representation from all key stakeholders in the system.

Responsibility for investing in the system rests with all stakeholders with an interest in the system. The system should be supported by resources available at all levels of the system. Government funds should be used to build and maintain the infrastructure and provide access to and delivery of quality services while leveraging private sector investments and encouraging individual investments.

Sufficient public and private resources should be available to support the outcomes expected from the system. Any requirements imposed on the system by federal, state, or local governments should be supported with revenues generated by the appropriate level of government. Performance and accountability measures should be built into the system to ensure the appropriate expenditure of funds and to assure the stockholders (both public and private) that they are receiving an adequate return to justify their investment.

To initiate a national work force investment policy, the Chairs Association presents the following five recommendations with shared federal, state, and local responsibility across the public and private sectors:

1) Create a system that reinforces individual responsibility and provides customer choice and easy access to services:
   - Encourage individuals to invest in the continuous upgrading of their knowledge and skills.
   - Provide incentives to implement alternative funding vehicles such as individual training accounts.

- **Connect work force and economic development** -- Work force development activities must be part of the federal, state and local economic competitiveness strategies to ensure that the supply of workers matches the demands of the local labor market and that good paying jobs are available for all workers. This entails the creation of competitive workplaces by encouraging the adoption of high performance methods of operation, supporting job creation and retention activities, and investing in worker training.

To ensure that these principles are carried out, the system must be governed through a new federal, state, and local partnership with clearly defined roles and responsibilities at each level. The new partnership should result in affording states and localities considerable flexibility in the design of the system and the delivery of services. In exchange for greater flexibility, state and localities should put in place new accountability systems and continuous improvement processes and be more responsive to their customers.

The federal role should be framing the vision for the system; developing broad policy; establishing national priorities, policies, and performance standards; evaluating and disseminating best practices; providing technical assistance and support for capacity building; and maintaining funding consistency.

The state role should be defining a state vision for the system, establishing statewide priorities, policies, and performance standards; developing a statewide strategic plan; building federal/state and state/local partnerships; determining funding needs in consultation with localities; deciding on substate funding allocations based on needs; providing technical assistance and capacity building support, and overseeing the state system.

The local role should be developing a strategic plan based on local priorities; designing and administering the local delivery system, including establishing performance measures, overseeing and

BEST COPY AVAILABLE

- Develop a national labor market information system as the backbone of the system.
- Establish local "one-stop" points of service.
- Include, information on provide performance as a component of each state's quality assurance system.

2) Create a strong partnership with the private sector:

- Encourage states and localities to establish work force investment boards that have majority private sector representation.
- Support the use of industry-based skill standards for defining results for the system.
- Leverage employer investment in worker training by providing incentives.

3) Redefine federal, state, and local relationships:

- Enact legislation to consolidate the current myriad of federal programs into block grants.
- Streamline the administration of the work force investment programs into one federal agency and provide incentives for states to do the same.
- Create a federal work force investment board to provide overall policy direction.
- Provide state and localities flexibility in the administration of work force development programs.
- Promote strategic planning of work force investment resources across programs at both the state and local levels.

4) Connect work force investment, education, and economic development activities at all levels in the system:

- Include the U.S. Secretaries of Commerce, Education, and Labor as members of the National Work force Investment Board
- Include representation from work force and economic development agencies and educational institutions on state and local work force investment boards.

- Provide accurate and timely labor market information.

5) Establish clear, simple and measurable outcomes for the system:

- Define broad national outcomes.
- Allow states and localities the option to further define outcomes and to define standards and measures.
- Make optimum use of U.I. wage records as well as academic and occupational skill standards.
- Develop common definitions, data elements and reporting requirements.

Mr. Chairman, over the past few years, states like Arizona and many others have moved ahead aggressively to restructure their fragmented employment and training programs into quality-driven workforce investment systems with changes that parallel the direction recommended by the State Chairs Association. Because we have felt the direct impact of economic change on state revenues and increased demand on our education and training institutions for high quality training we have not had the luxury of waiting for federal action.

More than twenty states have initiated changes to their governance structures by establishing broad-based workforce investment councils at the state level and charged them with providing policy direction and oversight of all the state's workforce investment programs. Several states like Massachusetts, Connecticut, New Jersey, and Texas have gone further in establishing local/regional workforce councils to coordinate resources within local labor markets. Each of these states has designed the governance structure to meet their unique needs.

In addition, many states are redesigning their service delivery systems by providing a comprehensive range of services in easily accessible centers within local communities that focus directly on customer needs.

These are state-based systems with standards to ensure quality across the state regions, yet with service delivery designed locally to meet the needs of the community and individual customer.

These efforts have been greatly enhanced by the DOL one-stop grants. This is a good example of how a relatively small amount of federal dollars can effectively bring about significant change at the state and local level. The approach is also being effectively applied in state initiatives to build school-to-work systems. In both examples, states have taken the lead and formed close partnerships with local communities in planning, designing and implementing the systems. The balance between state and local responsibility for these systems have been worked out in each state. There is no prescription that will work in every state. Federal legislation that attempts to dictate this balance likely to fail.

As we look across the country, we can see that the revolution in restructuring workforce development programs is well under way with the states in the forefront. It could be greatly enhanced by federal legislation that consolidates federal programs into a manageable set of block grants that provide direction to states rather than prescriptions. I cannot tell you today what is the right number of block grants. I do believe that one is too few and that we should look at broad population clusters such as children, youth and adults to determine what is appropriate, not characteristics that stigmatize individuals as members of various dysfunctional groups.

In addition, more and more states are coming to the understanding that workforce development is as part of a continuum of life-long learning that connects children and family services, elementary and secondary education, school-to-work, adult preparation for work, welfare to work, and incumbent worker training as part of this continuum and structuring their systems accordingly. Therefore, federal legislation that provides block grants across these areas must allow states the flexibility to move resources between block grants to ensure that we simply do not create bigger silos rather than pathways to economic security.

In conclusion, the framework proposed by the State Chairs Association and the experience in many states calls for significant systemic change in the structure, administration and operation of work force development programs in this country. It should ultimately result in providing individuals the tools they need to assume responsibility for their economic and social advancement and employers the means to access and train the skilled workers they need to remain competitive.

The State Chairs Association believes that advancing the knowledge and skills of America's current and future work force is fundamental to the nation's economic competitiveness today and into the 21st century. We have proposed a framework for restructuring the current fragmented, system of employment and training programs into a unified work force investment system with the goal of a competitive work force by investing in opportunities for life long learning. Responsibility for achieving this end rests with government, education, business, labor and each individual -- it is a shared responsibility.

The National Association of State Chairs accept our responsibility to achieve these ends, and we pledge our commitment to work with Congress and the Administration, along with other key national partners, in developing a new national strategy.

Thank you again for your time and attention to this important issue.

Chairman. McKEON. Ms. Bowland.

STATEMENT OF DEBRA BOWLAND, OHIO BUREAU OF EMPLOYMENT SERVICES

Ms. BOWLAND. Thank you, Mr. Chairman, and Members of the subcommittee. I am Administrator of the Ohio Bureau of Employment Services, and as such am quite lucky to work for a governor who has a very incredible vision for employment and training.

But, I am here today representing ICESA, the Interstate Conference of Employment Security Administrators, the national organization of State officials who administer the Nation's public employment service, unemployment insurance laws, labor market information and, in most States, job training programs.

I'd like to thank you, Congressman McKeon, for inviting testimony on ICESA's views on consolidating and reforming employment and training programs.

ICESA recognizes that the myriad of employment and training programs operated through a variety of Federal, State and local agencies has created a fragmented system of work force preparation and second chance assistance, which is bewildering to customers. Reform is necessary.

However, during your deliberations about streamlining and consolidation and elimination of some programs, we believe it is important to highlight the distinctions among programs included in the consolidation list of job training programs.

First and foremost, employment and training consolidation and reform efforts must recognize the difference between programs that are funded from the employer-paid, dedicated revenue Unemployment Trust Fund and those programs funded from general revenues.

Merging unemployment insurance and employment services are Wagner Peyser moneys which come from dedicated-revenue trust funds, with general revenue funds for education and training programs, would call for renegotiation with business the purpose of the Federal unemployment tax, and the appropriate allocation of cost for those programs between the private sector business community and government. No public policy decision to use FUTA revenues for training programs should be made without the full understanding of the business community, which includes what that decision means.

The Unemployment Trust Fund is financed entirely by State and Federal payroll taxes. By law, those Trust Fund moneys can be used only for unemployment benefits and administration of employment services and unemployment benefit programs. Including those moneys as part of a block grant with other general revenue money violates the contract with the business community that those funds will only be used for unemployment or reemployment services.

Implicit in that "contract" with the business community is the understanding that unemployment benefits will be paid to those who are unemployed through no fault of their own, as long as those workers are seeking to return to work. This understanding is expressed in most State Unemploment Insurance laws by the requirement that recipients for Unemployment Insurance register for work with Employment Service. Employers understand that their State unemployment taxes will be kept as low as possible when recipients return to work quickly by using the public labor market exchange.

On the other hand, if the public labor market exchange established by Wagner Peyser is eliminated, and its functions replaced by a block grant for employment training funded from general revenue, Congress will be taxing business twice for the very same function, one time in their FUTA taxes and a second time in taxes that produce general revenue.

In addition to our contract with the employer community, we have a contract with veterans that these funds will also be used for veterans reemployment. These services are financed by dedicated employer FUTA taxes. Without the DVOP and the local veterans employment representatives in our local offices, we cannot continue to provide quality reemployment services to veterans.

Second, employment and training consolidation and reform efforts must recognize the difference between employment service and job training programs. General Accounting Office now lists 163 Federal employment training programs. It is important to note that the Employment Service or Wagner Peyser programs and the Veterans Employment Service Program included in those lists are not training programs. The Employment Service provides basic job search and job placement assistance.

Our experience in Ohio shows the volume and the value of these job placement matchings. As you know, by Federal mandate we must serve every single Ohioan who comes into our offices, and lots of Ohioans come. Just last week, we served job-seeking customers by matching nearly 14,000 workers with employers. For our employer customers last week, we matched 200 job orders every single day of the week, and just last week we referred nearly 6,000 workers directly to employers seeking to hire them. Last year, we filled over 99,000 employer jobs, and when you count the people who took several jobs during the year, we helped Ohioans find 117,000 jobs.

Economic studies show that job placement services are by far the most cost effective use of scarce resources to get the unemployed back to work. The U.S. Department of Labor showed that the average cost per placement by the Employment Service year was $249.

Third, including the Employment Service in any proposed job training block grant legislation would sever its linkage with the unemployment insurance system, and is critical to the application of the unemployment insurance "work-test," which could result in higher outlays for unemployment benefits and higher taxes for employers.

A great deal of discussion about reinventing the Nation's unemployment system is focused on worker training and retraining programs. While State employment security agencies see great merit in linking employment and unemployment and training programs to create a comprehensive work force development system, the many workers who go through temporary unemployment periods and return to their previous jobs or a similar one without retraining simply should not be forgotten.

In 1994 alone, we provided an estimated 8.4 million unemployed workers with unemployment checks totaling over $27 billion. We placed 3.3 million into jobs.

And fourth, the Employment Security System provides a universal access to labor exchange services. I believe that's extremely important.

Now, we are not asking to maintain the status quo. We've adopted a set of legislative principles we believe should guide reform for employment and training. These principles outlined in my written testimony represent a consensus from the administrators of 50 States, the District of Columbia and two territories. But, we urge you not to lose sight of the difference between employer-paid, dedicated-revenue funded programs and general revenue programs, and to recognize the importance of a national public labor exchange.

If you eliminate the public labor exchange, we will be the only industrial nation in the world without one. I thank you very much for the opportunity to testify, and would be most happy to answer any questions.

Chairman McKEON. Thank you very much.

[The prepared statement of Ms. Bowland follows:]

Statement by Debra Bowland, Administrator
Ohio Bureau of Employment Services

before the
House Economic and Educational Opportunities Subcommittee on
Postsecondary Education, Training
and Lifelong Learning

on behalf of the
Interstate Conference of Employment Security Agencies
444 N. Capitol Street, NW, Suite 142, Washington, DC, 20001

March 21, 1995

Mr. Chairman, members of the Subcommittee, my name is Debra Bowland. I am Administrator of the Ohio Bureau of Employment Services, and am here today representing the Interstate Conference of Employment Security Agencies (ICESA). ICESA is the national organization of state officials who administer the nation's public Employment Service, unemployment insurance laws, labor market information programs and, in most states, job training programs.

I would like to thank Congressman Howard McKeon for inviting testimony on ICESA's views on consolidating and reforming employment and training programs. The membership of ICESA applauds the effort by this subcommittee to seek input on this most important issue.

In addition to representing ICESA, my remarks today are based on my experience--and my experience comes from having spent almost twenty years in the employment and training arena.

Most recently, I have had the tremendous opportunity to serve as a member of the cabinet in Governor George V. Voinovich's administration as the Administrator of Ohio's Bureau of Employment Services. In that capacity I am responsible for administration of unemployment insurance, employment service, programs of the Job Training Partnership Act, and labor market information. The Ohio Bureau of Employment Services also is the agency which coordinates and staffs the Governor's Human Resources Investment Council.

My experience in Ohio, working for a Governor who has an incredible vision for employment and training, has shaped many of the opinions that I will share with you today. So I would like you to know something about Ohio's employment and training system.

As you know, Ohio is a large and complex state with nearly eleven million citizens living in a variety of communities that range from farms and rural areas to small and medium size towns to large metropolitan areas. OBES serves over 600,000 Ohio workers and over 215,000 employers each year. We provide income maintenance during transition from one job to the next, job training, and labor market information. One of our top priority programs is skills-based job matching between workers seeking jobs and employers seeking workers. Job matching has steadily risen in importance as we have developed our workforce development system. We have found that it is integral to every other part of our evolving state system.

We have had positive experience in improving workforce development programs in Ohio. I want to give you a quick survey, before I turn to my testimony on behalf of ICESA.

In Ohio, our Governor's Human Resource Investment Council has completed an evaluation of Ohio's current workforce development programs. That report, *Windows of Opportunity*, found there was little coordination among the nearly $1 billion allocated to our 15 state agencies responsible for 51 workforce development programs. The GHRIC has created a roadmap, *Jobs: Ohio's Future*, which outlines a comprehensive employment and training system. We believe we cannot look at any one piece of our workforce development system in isolation.

Ohio is one of a handful of states that actively promoted the development of one-stop service delivery before it became a national initiative. Since 1990, Ohio has been transforming our local employment security offices into Customer Service Centers. Customer Service Centers are designed as a single site that offers a central core of integrated employment and training services, and integrates or co-locates with as many other community services as possible. Currently, Ohio's Customer Service Center core programs include dislocated worker programs, Employment Service programs, Veterans' Employment Service Programs, Title II of JTPA, JOBS, vocational education, adult basic and literacy education and two year colleges. Other programs incorporated through local planning include vocational rehabilitation, school-to-work, economic development, small business development, county veterans, legal services and such support as child care, transportation and housing assistance.

Ohio Job Net, our new automated, skill-based job matching system, is a key component in our one-stop Customer Service Centers. This system promotes full employment in Ohio by offering direct, easy access to the best possible information about labor market activity, available workers and job opportunities. The most unique feature of Ohio Job Net is its match of workers and employers based on skills rather than job title. This creates expanded opportunity for job seekers to capitalize on all their marketable skills, and provides employers with applicants that more accurately match their criteria for hiring.

Employment and Training Program Reform

ICESA recognizes that the myriad of employment and training programs operated through a variety of federal, state and local agencies has created a fragmented system of workforce preparation and second chance assistance which is bewildering to customers.

Reform is necessary. However in Congress' interest in streamlining, consolidating, and even eliminating some programs, we believe it is important to highlight the distinctions among programs included in the "consolidation list" of "job training" programs.

First and foremost, employment and training consolidation and reform efforts must recognize the difference between the programs that are funded from the employer-paid, dedicated revenue Unemployment Trust Fund and those programs funded from general revenues.

Merging unemployment insurance (UI) and employment service (ES) monies, which come from dedicated-revenue trust funds, with general revenue funds for education and training programs, would call for renegotiating with business the purpose of the Federal Unemployment Tax (FUT) and the appropriate allocation of cost for these programs between the private/business sector and government. No public policy decision to use FUTA revenues for training programs should be made without full understanding of the implications of this decision and debate which includes the views of the business community.

The Unemployment Trust Fund (UTF) is financed entirely by state and federal payroll taxes. By law, Unemployment Trust Fund monies can be used only for unemployment benefits and administration of employment services and unemployment benefit programs. Including these program monies as part of a block grant with other general revenue program monies violates the "contract" with the business community that these funds will only be used for unemployment or reemployment services.

Implicit in the "contract" with the business community is the understanding that unemployment benefits will be paid only to those who are unemployed through no fault of their own, as long as those workers are seeking to return to work. This understanding is expressed in most state unemployment insurance laws by the requirement that UI recipients register for work with the Employment Service. Employers understand that their state unemployment taxes will be kept as low as possible when recipients return to work quickly by using public labor exchange services.

If the public labor exchange established by the Wagner Peyser Act is eliminated and replaced by a block grant for employment and training services funded from general revenues, Congress will be taxing business twice for the same program: one time in FUTA taxes, and a second time in taxes that produce general revenues. This would be true even if FUTA taxes only pay for unemployment insurance administration.

In addition to a contract with the business community, there is a contract with veterans that these funds will be used for veterans reemployment efforts. Many people do not understand that the veterans' reemployment services are also financed by dedicated, employer-paid FUTA taxes. The Disabled Veterans' Outreach Program (DVOP) specialists and Local Veterans' Employment Representatives (LVER) that work in the ES offices help ensure that these members of our society receive quality reemployment services.

Second, employment and training consolidation and reform efforts must recognize the difference between the Employment Service or job placement services and job training programs.

The General Accounting Office (GAO) report now lists 163 federal employment training programs administered by at least 14 federal departments. While we do not want to get into a numbers game, it is important to note that the Employment Service or Wagner Peyser program included in this list is not a training program.

Just last week, I attended a briefing for members of Congress and their aides sponsored by employers in our region: employers from Illinois, Michigan, Ohio and Wisconsin. These employers clearly said that the Employment Service programs are not training programs, and that unemployment insurance and Employment Service must stay linked.

The Employment Service provides basic job search and job placement assistance. The Employment Service's core functions for jobseekers are: referral and placement for the job-ready and workers in transition, workforce information, referrals to training for the non-job ready, skill assessment and counseling, and a place to hone job search skills. For employers, the Employment Service provides applicants for job vacancies and critical labor market information for business and economic planning.

Ohio's experience shows the volume and value of this job matching. As you know, by federal mandate we must serve every Ohioan who comes into our offices. Lots of Ohioans come. Just last week, we served job-seeking customers by matching nearly 14,000 workers with employers. For our employer customers last week, we matched 200 job orders each day of the week. Just last week, we referred nearly 6,000 workers directly to employers seeking to hire them. Last year, we filled over 99,000 employer jobs, and, when you count people who took several jobs during the year, we helped Ohioans find 117,000 jobs.

Economic studies have shown that job placement services are by far the most cost effective use of scarce resources to get the unemployed back to work. The U.S. Department of Labor reports that the average cost per placement by the Employment Service last year was $249.

Third, including the Employment Service in any proposed job training block grant legislation would sever its linkage with the unemployment insurance system--which is critical to application of the unemployment insurance "work-test"--and could result in higher outlays for unemployment benefits.

A great deal of discussion about re-inventing the nation's "unemployment" system has focused on worker training/retraining programs. While state employment security agencies see considerable merit in linking unemployment, employment, and training programs to create a comprehensive workforce development system, the many workers who go through periods of temporary unemployment and return to their previous job or a similar one without retraining should not be forgotten.

In FY 1994 alone, the Employment Security System provided an estimated 8.4 million unemployed workers with unemployment checks totalling over $27 billion. The average unemployed worker received benefits for just over 15 weeks. More than 11.6 million jobseekers received job service assistance from the Employment Service last year and over 3.3 million were referred to jobs.

Job placement services are used by many workers seeking their next job. The "work test" is the requirement that most unemployment insurance claimants register for work with their local job service, in order to help find their next job quickly. This linkage between the Employment Service and unemployment insurance is critical to employers and job seekers.

Many workers do not want to be underemployed, but they do not know all the options available to find their next job. If there were no linkage between the Employment Service and unemployment insurance, workers could be left to draw their benefits without Employment Service assistance in seeking work.

Employers know how this critical linkage works, too. Employment security programs provide a labor exchange that insures unemployment claimants are actively seeking work. The labor exchange helps those job seekers reenter the workforce as early as possible, using the fullest information available about jobs, hours and wages and employer requirements for worker skills. By helping unemployed workers get their next job quickly, employer taxes are kept low.

Fourth, the Employment Security System provides universal access to labor exchange services--providing access to any individual or employer requesting and in need of its services.

Legislative Principles

The state agencies represented by ICESA play an integral role in the design and operation of state workforce development and employment systems. We have the operational, "front-line" expertise to guide public policy decisions on employment and training program reform. Recently, ICESA adopted a set of legislative principles that we believe should guide reform of employment and training programs. Outlined below are these guiding principles.

Governance

National

While states should be ultimately responsible for the delivery of statewide employment security and workforce development services, there is a role for the federal government. We believe that role includes:

- Developing a nationwide system of state, regional, and local labor market information.
- Reviewing the "workforce development impact" of proposed federal legislation on desired data reporting, common definitions and common funding cycles.
- Developing common terms and definitions to replace existing requirements.
- Establishing a central place for states to request waiver authority over conflicting and overlapping laws and regulations, including OMB circulars. Setting up a process by which these "barriers" are eliminated so that waivers are not necessary.
- Reviewing federal funding streams for purposes of identifying more effective and cost-efficient methods of allocating funds, based on customer needs. Setting up a process whereby states can "pool" administrative resources for various workforce programs.
- Disseminating information on "best practices."

State

The states should be responsible for establishing a coordinating council to study emerging economic and employment trends, job creation opportunities and other employment and job training needs; propose additional activities to be carried out; and provide reports to state agencies, the governor and legislature. As indicated earlier in my testimony, Governor Voinovich has established a Human Resource Investment Council whose mission is to create a high performance workforce to enable all Ohioans to maximize their self-sufficiency and to provide Ohio employers with the workforce they need to compete in a global economy. This Council has been the underpinning of our one-stop partnerships with our local partners.

Ohio experience shows the state and its Employment Security System cannot be all things to all people: it must collaborate to meet local needs in a statewide framework that ensures consistent, quality service. Our local partners are key to providing an integrated system for work with job seekers and employers. I have listed the programs that JTPA and other partners provide in our Customer Service Centers. We wrote our "one-stop" proposal using local partners on our team. In developing plans to use our recently-awarded $7 million "one-stop" grant from USDOL, we have involved local partners equally and intimately with us to detail plans for a one-stop service system in Ohio. Each of our local one-stop systems will be built with this same partnership.

States are ultimately responsible for delivery of statewide employment security and workforce development services. As implementors, states should have responsibility for coordinating planning, development, and monitoring of a comprehensive workforce investment system with realistically attainable objectives for each of the participating programs. In implementing this comprehensive system, states should be responsible for ensuring local input in the process.

The states should be enabled to grant incentives to encourage state and local collaboration, to sidestep regulatory obstacles, and to develop integrated reporting-based data collection, technical expertise and staff proficiency. Performance standards should be established which are consistent with state human resource policies.

Any new system should be customer-oriented. Since customers vary by state and by function, states should be responsible for determining who customers are, or how they are identified.

Additional responsibilities of the state should be:

- Developing a strategic plan and establishing state goals for integrating federally funded workforce development programs included in an integrated system of the state. States should have the option of assuming ultimate responsibility for integration of statewide programs which they choose, within a federal structure, that enables, not impedes, and supports this integration to achieve desired customer outcomes.

- Summarizing and analyzing information about training needs of critical industries in the state.
- Identifying a common core of performance measures for programs included in the system.
- Analyzing the relative effectiveness of individual workforce development programs within the state and the state's workforce development system as a whole.
- Evaluating the progress being made within the state in streamlining, consolidating, and reforming the workforce development system of the state.
- Ensuring that services to special, hard-to-serve populations are maintained.
- Describing the method to be used to allocate funds to administer statewide systems in a fair and equitable manner among unified service delivery areas.

Local

States must have the option to develop local relationships appropriate for their state and local partners as a matter of state choice, without prescription from the federal government.

The implementation of a workforce policy envisions locally-connected organizations capable of accurate labor market analysis and responsible employment training. Local entities could include individuals from business, labor, education, and government. The local organizations would participate in determining needs, developing plans and priorities, and evaluating progress. Innovative experimental, precedent-setting rather than precedent-following, methods should be fostered.

Universality

The system should be universal and unrestricted in its acceptance of any individual or employer requesting and in need of its services; however, it should offer special outreach services to targeted groups. As I indicated earlier in my testimony, the Employment Security System already provides universal services to individuals and employers.

Service Delivery

The system should be an integrated statewide system that assures that individuals seeking employment and employers seeking qualified job applicants in the state will receive information about all available employment and training services in the state, regardless of where the individual enters the system. To the degree possible, the system should build upon the existing service delivery infrastructure.

The Employment Security System, i.e., the community-based local offices of the unemployment insurance and public Employment Service system, should be the universal gateway to workforce development resources for our customers -- America's jobseekers and employers--and is well positioned to be the "honest broker" for available unemployment, employment and training services.

At a minimum, the services that must be available at local service delivery points include:

- unemployment insurance;
- employment services;
- information about the local labor market.

ICESA members support the concept of one-stop career systems and integrated service delivery. Ohio is aggressively moving in this direction with our Customer Service Centers and one-stop service delivery.

Common Eligibility and Intake

All programs in the service delivery system should move towards the use of common intake and assessment and uniform terms and definitions. Programs should be required to develop and use a core information system with a uniform structure which serves the recording and reporting needs of each.

Confidentiality

Information about the wages and employment of individuals, collected and maintained by states for unemployment insurance purposes, is a valuable data resource for evaluation of reemployment and job training programs. Use of these data through interagency and interstate agreements for program evaluation, career information, and other employment system purposes should protect the privacy of individuals and the confidentiality of the data. The purposes for which federal law requires release of individually identifiable records should not be expanded.

Administrative Measures

Any new workforce development system must address the multiple federal administrative and statutory barriers that currently inhibit the ability of states and locals to provide seamless services to customers. At a minimum, measures that must be addressed include: ability to pool administrative costs among programs; inconsistent performance standards and reporting requirements among related programs; relief from GAL 5-94 dealing with acquisition, use, and disposition of real property; disparity in eligibility target groups and definitions; and assurances of waivers of OMB Circulars A-87 and A-102.

Conclusion

ICESA believes that employment and training reform is necessary. That reform must recognize:

- that there is a difference between the programs that are funded from the employer-paid, dedicated revenue Unemployment Trust Fund and those programs funded from general revenues;
- that there is a difference between the Employment Service or job placement services and job training programs;
- that including the Employment Service in any proposed job training block grant legislation would sever its linkage with the unemployment insurance system--which is critical to application of the unemployment insurance "work-test"--and could result in higher outlays for unemployment benefits; and,
- that the Employment Security System provides universal access to labor exchange services--providing access to any individual or employer requesting and in need of its services.

Thank you for the opportunity to testify. I would be happy to answer any questions.

Chairman McKEON. Mr. Gunderson?

Mr. GUNDERSON. Thank you very much, Mr. Chairman. I think you all have articulated one of the biggest problems we're going to have in those whole area of reorganization, that is, who is in charge.

I am curious, because as I listened to the four of you, obviously, none of the four of you represent the education community, and they believe very strongly that if training programs are going to be driven that they need to become the major provider.

To what degree do you anticipate that we're going to have a rather significant civil war over who is going to control training at the local level, whether it is the high schools, the community colleges, et cetera, or should it be driven by the PIC councils or that type of a structure, or the Employment Service.

As we talk about one-stop shopping, I mean, the fight for who hosts or houses that one initial entry is going to be, I think, unbelievable. Give me some insight from your perspectives.

Mr. SOFRANAC. You're right.

Mr. GUNDERSON. Thanks.

Mr. SOFRANAC. Just a couple points. We, again, referring to our paper, we've stated there, as part of our effort, to say that it really does begin with education, that you need to have education, you need to have training and you need to have economic development, that all of those parts need to be working together.

I think what has worked for us in Arizona, what has worked in other States and localities, too, at the local level, is a very strong private sector participation, because that seems to be some of the neutralizing effort in turf battles, that the person who wants to help for training or retraining education help, and the employer that wants that framework does not care where it is housed, what they want is a service that is provided, and that private sector participation, both at the State level, the local level certainly, and also at the national level, would maintain some of that turf battle minimization.

Mr. GUNDERSON. What do we do, though, in a situation—I'm not sure I disagree with what you all are advocating, but trying to figure out how we take this debate to its next level, let's assume we consolidate all the adult training programs into a block grant. Let's assume that we send it back. Most of you advocate a State advisory panel of some sort, which we have not articulated. Most people agree that we'll have a one-stop shopping center, and that the funding ought to go to that. Let's assume that the Private Industry Council is the place where we house the one-stop shopping center. Under this block grant, all of a sudden all of our vocational education money, Prep-Tech, School-to-Work, all that type of money is now going to go to the PIC.

Now all of a sudden the community college associations in this country, or that whole network, are going to have to come to the PICs for their money. You and I both know that's not going to last very long. So, how do we deal with this issue of the funding stream, as well as deal with the issue of governance, because I see a real civil war developing out there.

Mr. DICKERSON. Well, Congressman, I think first of all on our Private Industry Council we work very well with our education representatives. However, my PIC meets tomorrow and I intend to be there to chair the meeting, and I received my oversight report yesterday.

The lowest placement rates that we have in our entire system in our SDA is with the educational programs. We have worked very closely with our education people. I'll never forget the first time I negotiated our contracts for our summer youth employment program, I asked one of the vocational directors, I said, well, you are training this person for this particular occupation, and in my view, from what I know of our region, that's not one of the growth occupations that we have. And, the director looked back at me and said, yes, but that's the equipment that we have available to train with.

Well, we've been able to work with those people, we don't have any wars in our SDA, we work with them, we provide funding for them, we think that in our SDA and many others that we will be able to work with them as partners.

Mr. GUNDERSON. Well, let me play the devil's advocate. If you work so well are you comfortable with us giving them the money?

Mr. DICKERSON. I don't think in that situation, quite frankly. I really believe the place of the PICs in this whole scenario is the innovative portion of it. We are willing to go out and do things that many times the educators, for one reason or another, and they have boards to answer to and people of that sort that constrict what they are able to do.

Mr. GUNDERSON. Well, should we even make the decision? Is the solution that we simply send the money back to the State, and we let you all fight this out in Missouri, or Minnesota, or Arizona, or Ohio, and we just are silent on who gets it? Is that the solution?

Mr. DICKERSON. Congressman, I don't think that would be the solution. Obviously, that's a potential, but we would end up with basically probably about 50 fights instead of one in that scenario.

Obviously, when you are redesigning, everybody wants a different piece of the pie, and that's what you are looking at now and I can appreciate your position.

Ms. BOWLAND. I'd like to add a little bit of Ohio experience, because I think each State, and I sense his position is that each State should be free to develop partnerships and relationships unique and good for its State.

In Ohio, we have worked in creating a work force development system that I think is working extremely well through our Human Resource Investment Council, a statewide council made up of the various kinds of players and stakeholders as you've described.

Each of those folks should be able to design work force development systems with good relationships developed with local partners and required in the block grant system. And, each State should be able to work out those systems for itself.

I don't think we'd have 50 fights developing. We certainly didn't. What we found is, when we were challenged to develop a system by working together and through good collaboration that's exactly what we did. But, I do think that each State is unique. I think I've heard several times us say that these block grants should be State based, collaboration with local entities, and have local design, and I think that that's the appropriate way to handle those systems.

Mr. GUNDERSON. Thank you, Mr. Chairman.

Chairman **McKeon**. Thank you.

Mr. Green.

Mr. **Green**. Thank you, Mr. Chairman. Again, I thank you for having these number of hearings for us, because those of us who are interested in job training and have watched over the years, and let me just express a little concern because I'm a second termer, like our Chairman is, but I watched the CEDA go to JTPA as a State legislator in the 1980s, and just when I think we are getting out JTPA coordinated locally here we're going to change the system again, and, although each of our witnesses today, and I'd like to compliment them on some of the suggestions they make, they are really where I think a lot of us hope that JTPA would be, if not today, then in its changing over the years and reflecting new information, what may work in Arizona may work in Houston, but it may not, and so I see that changing.

So, I have a little concern about all of a sudden changing the system when we are just getting used to the success and the requirements of working together.

I know the Private Industry Councils, particularly, the one in Houston, is successful, but I also know that we didn't receive a one-stop center in Houston, the largest city in the State of Texas, because sometimes we didn't coordinate with other—I mean, our community college, but we have now. In fact, we opened a one-stop center a month ago, and it was between our State Employment Agency, our Private Industry Council and our Houston Community College, so our community colleges were a part of it, and that was a push to get us to do that.

If each of you could respond, because I know there are lots of bills floating around here, whether we block grant it and send it to the States, and we can see that we may have that 50 different ways to do it, but where do you see us going with some of the proposals like the block grant. Obviously, we are not going to—at least I'm not going to abolish the State Employment Agencies that we have, just anymore than I think we've learned that our Private Industry Councils are successful in watching and hearing from witnesses around the country, but if we change the process here, when did we go to JTPA, 1983, 1982, and so we have 13 years of really metamorphosis and seeing, okay, we know what works now, and now we're going to change it and block grant it back to the States and we'll start all over again trying to work together. I don't think we want to do that.

What we want to do is make sure the system continually reforms itself like it has to without throwing out the good things we've learned, particularly, with Private Industry Councils, and making our local service providers work together.

But, if each of you could address that and say, you know, we may throw out a lot of the things we've learned in the last 10 years on how we can work together from each of your different agencies.

Mr. **Johnson**. Mr. Chairman, Mr. Green, I think we're looking at an evolving system of job training. From the position of the counties, we look at this as dealing with labor markets that are primarily local in almost all parts of the country.

And, we aren't necessarily opposed to block grants, but if block grant is just an excuse to cut funding, we have problems and we have problems dealing with mandates that are imposed upon us from State capitals, just like we have from Washington.

And, I guess one of our main concerns that if we move towards a system of block grants that the local units of government that are primarily responsible for delivering the services on the street, that we play a major role in designing how those services are going to be delivered.

Mr. DICKERSON. Mr. Green, I, too, was on the scene when we had the CEDA program. In fact, I was a county commissioner in Missouri, and I was President of Missouri's County Commissioners at the time. And, I sat on what we in Missouri at that time called Manpower Advisory Boards, which were the governing influence in our region for those programs.

It is astounding to me how far we've come since those days. In those days, we were worried about spending the money and serving the people, but not really worried about whether they got jobs or what pay they got once they got out of those jobs, and it serves as a subsidy in many cases for public entities.

I think that we have shown improvements, and I agree with you that we shouldn't throw away the good things that we have developed in this process of change. So, we definitely hope that whether we have block grants or not, and we happen to believe that we will, that we do not throw away our local governance mechanisms that we have developed and the expertise that we've achieved under the PIC system.

Mr. SOFRANAC. Mr. Chairman, Mr. Green, likewise, I think, you know, I articulated to some extent that we think there are a lot of good elements, the aspect of the private sector being involved in JTPA was a real big step, and we think a lot of that needs to be enhanced.

Some of the places where we see some of the shortcomings is, you know, what started in 1983, and the things that have happened in 1983 that was added on, added on, added on, rather than to use the existing system and feed it through that system, so we think that's one aspect.

The other one is, as we mentioned, and we don't mean that lightly, is the individual responsibility, that we see this as a shared responsibility. It isn't just the government's role, certainly it's private sector's roles, and certainly it's also the individual's role to participate.

And, we think what needs to evolve is something, some system now that allows all three of those to take party to it, not just to say, you know, to bring it to the lap of the government and say, here, now take care of this. But, if you really talk about cradle to grave, or at least life-long learning, part of the name of the committee, that it has to allow for those opportunities to happen.

So, those are the places where we have said, well, we need to continue to evolve and continue to develop along that area.

Ms. BOWLAND. That is a rapidly evolving system, and if you sit in an agency like mine you just see how very rapidly it is evolving.

We believe that there is tremendous good in the kind of innovative programs going on across the country today. For instance, one of the really outstanding things going on in Ohio is, we have a new job matching system that matches people and the skills they have with skills that the employer is looking for. So, we are no longer matching on old outdated DOT codes.

We think it's the wave of the future. The entire one-stop systems, no wrong door approach, has been absolutely incredible for State and local governments in collaborating together to really design and provide good services for—I was glad to hear you say, by the way, that you didn't want to do away, for instance, with Employment Service offices or their functions, simply in that including Wagner Peyser programs in a training block grant, indeed, would do that, would mix up those revenue funds and create huge problems for the employer community and their dedicated revenue tax.

Mr. GREEN. Well, Mr. Chairman, I know my time is up, but I know that we've gone as a force to Private Industry Council counties, community colleges, State employment agencies to work together, and I think some of the success we've seen is that coerced working together instead of empire building by individual agencies, whether it be private industry, whether it be counties, or school districts, or community college districts.

Thank you, Mr. Chairman.

Chairman MCKEON. I had the opportunity Friday of visiting a job training center in our district at home, and the work that they were doing was just tremendous, the enthusiasm, I saw people drop in while I was there that were looking for help and the help that they received.

I think that what we're attempting to do is not throw out the baby with the bath water, but I think what we think is that as we see you here and the other witnesses we've had as we've had these hearings, great things are being done and they are being done at a local level, not so much by the Federal Government.

And, what we want to do, I think, as we go through this process is keep what is good, get rid of what is not working, and we feel that you, as I said, are way ahead of us, if we can just eliminate the Federal bureaucracy and let you do the things that you are finding that are working, if we can get local control.

I've said here before that I served on a city council and I served on a school board, and in both of those positions I had complaints about the Federal Government. I had equally as strong a complaint about State government. And, if we block grant these responsibilities back to the State, and then they just build a huge bureaucracy to replace what we eliminate at the Federal level, we haven't really accomplished anything. The important thing is to get the resources to the local level where you can really do the job.

We're considering four block grants out of 80 Federal job training programs. One of those would go to youth, one to adults, one for vocational rehabilitation, and one for adult literacy. We think this is the direction we're looking in. These would be tied together into one-stop delivery systems through local work force development standards.

How do you see that happening in your area? What reaction do you have to that type of a system?

Ms. BOWLAND. Do you want to start at this end? Okay.

We think the one-stop shops in Ohio are working extremely well. We have found that State and local governments, indeed, can collaborate together to provide good services for its citizens.

The concern that I have, and let me just try it very quickly, is the inclusion of the unemployment tax, the FUTA tax, in with training programs. Those taxes are dedicated employer taxes for unemployment insurance and employment services to ensure that employer taxes are kept low, and that people can return to work quickly. They are not training programs, and we have a contract with the employer community to keep their taxes low.

I don't believe that the FUTA funds or the FUTA dedicated funds, like in veterans reemployment, the Wagner Peyser employment dollars, should be mixed up and merged with overall training dollars. Certainly, that does not mean that I don't believe that collaboration is not extremely important, but I do not want to create what I think is a rather dangerous precedent that employers would become kind of a siphon to pay for training programs.

Mr. SOFRANAC. You know, the four, we had an opportunity to speak with you a few weeks ago, so the idea of the four block grants is something we heard about and we've been talking about, and whether that is the perfect situation I don't know, I think you are even wondering whether it's perfect or not, but we think it's a big step.

We certainly believe that 150 some are too many and that one is too few, and what the magic is between the 154 and the one, it may be four. We think the approach to categorizing certain needed population, adult and youth, is a good way of approaching it, and what's included within there I think is what's unrealistic. You know, where the actual governance and the actual accountability and the specificity of that accountability we think needs to be set in a direction by you all, but really needs to be then articulated by the States and primarily at the local level.

So, here's the framework given from you all, and then let the framework be built on by the States and the localities, but under that four system we think is a good place, and between that one and 154.

Mr. DICKERSON. I have taken a look at your four block grant structure, and really believe it's probably a workable system. As a PIC member, I would appreciate that type of consolidation, because right now we're forcing consolidation on the local level, just to make the thing work.

So, I think we could definitely work with that.

Mr. JOHNSON. Mr. Chairman, I think that we could work with it and, again, I would bring up the rest of the question, how much money really will be passed through on the block grants and how much local involvement will there be in the planning, because it's still at the local level that we deliver these services. And, local involvement in the planning is very important, and if this is just a way to cut the amount of funding and not really reduce the bureaucracy and the Federal regulation then it really hasn't accomplished its purpose. But, we think it's a step in the right direction, if it meets those other criteria.

Chairman MCKEON. I really appreciate that input, and the purpose is to eliminate the Federal regulation. I think that that is happening in this subcommittee, and it's happening at all of the committees on the Hill right now, that's our whole purpose. We passed major legislation a couple weeks ago to eliminate and cut back on Federal regulation, bureaucracy, that's our real purpose.

And, I think that we will—everything that we're doing is pointing toward that effort. We really think decentralization, you have—the closer you are to the people that are receiving the service the better and more likely you are to be able to provide that service. The further away you get from it, the more you sit like we do and talk great platitudes, but you are the ones on the firing line providing the service, and that's where we need to get the resources.

So, if we can do that, and put the least possible strings on you, feeling that you are very capable of handling and running these programs, that's our goal.

We appreciate you being here today and your input and the additional comments that you have we will add to the record, and if you would be willing to respond to any further written questions that Members of the panel may have we will address those to you.

And, as you leave here, I've asked, as we've gone through all of these hearings, I've asked each of the panelists to, as you leave maybe you'll think of something that you wanted to say that you didn't, if you'll please include that in any further correspondence you have with us, and stay working with us in this process, because I don't know that there is perfection. I think that we will constantly be working toward perfection, but none of us is Solomon and we don't know what perfect is, and that's why this is a constant evolving process.

As Mr. Green says, you know, a program that was put in in 1983 has not reached perfection, we don't think this will reach perfection this year, but we want to keep working towards making something better. That's the whole purpose.

Again, thank you for being here, and we'll ask you now to make way for the second panel. Thank you.

We want to welcome now our second panel. We have Mr. Augustine Gallego, Chancellor from San Diego Community College District in San Diego, California, Mr. J. Handel Evans, Vice Chancellor, California State University, from Long Beach, California, and Mr. Peter Cove, CEO, America Works, from New York, New York, and I will defer to Mr. Green to introduce his constituent.

Mr. GREEN. Thank you, Mr. Chairman. On short notice, we were able to ask and he was able to come up Jose Perez, Executive Director of the SER-Jobs for Progress in the Texas Gulf Coast, and, particularly, in Houston. They have three locations in the city of Houston, and I'm fortunate to represent two of them, and I guess it was 18 months ago, right after I was first elected, I visited the one location in Denver Harbour that's a family learning facility, and I was surprised how much they accomplished with such small facilities. They were really utilizing every square inch, and then this last—well, a few months ago they expanded to Northline Shopping Mall, which is utilizing a mall for a dislocated workers program. And, even now we are trying to find them some more space there, because they've outgrown their small space there. They also have another location in southwest Houston, I believe it's in Congressman DeLay's district, and that's a business training and center for skills in a business environment.

I guess what's important is that the Northline Mall facility that Project SER is interfacing with our Houston Works, our Private Industry Council, our Houston Community College, it also has a location there, and also our State Employment Agency, so that is our one-stop center that has been done without Federal designation because of the politics we had in the State of Texas, but we now have a new chairman of our State Coordinating Council who is from Houston, and so hopefully will change that.

But, Mr. Perez at SER provides on-the-job training in 12 counties around the city of Houston, and Jose comes to us, he retired from NASA in 1988 or 1989, and has been with Project SER, and I'm glad to welcome him here, because all our witnesses, both the earlier panel and our other panels that the Chairman has asked, are people who are literally, like you said, are the ones that are doing the job, and that's who we need to hear from. So, we will make sure that, as you said earlier too, we don't throw out the baby with the bath water, and we see what works and what we can improve on it.

So, thank you, Mr. Chairman, and welcome, Jose.

Mr. PEREZ. Thank you.

Chairman MCKEON. Thank you.

Did you say that they went ahead and did something without getting Federal approval, that they did set up one-stop shopping and they made some of these improvements without getting——

Mr. GREEN. Well, we tried to get our State, but because of some local politics in Texas we couldn't do it, so they went together using Federal programs and, again, we may need to merge them up here but I found with innovative people like we have on some of our panels we may send them 10 programs, they merge them in our local communities to where they can provide that, and that's what they did.

Chairman MCKEON. I think that's the whole point of what we are trying to do, is take off the fetters and let them be creative and let them do the job.

Speaking of short notice, Mr. Evans is sitting in for Molly Broad, who as you see on the written testimony it comes from Molly Broad, but she is ill and he stepped in at the last minute, and we appreciate that Minuteman service.

Okay. As you heard when I asked the previous panel, we have your written testimony. That will be put in the record, but if you would feel free to summarize then that will just leave more time for questions.

We'll begin with Mr. Gallego.

STATEMENT OF AUGUSTINE P. GALLEGO, CHANCELLOR, SAN DIEGO COMMUNITY COLLEGE DISTRICT

Mr. GALLEGO. Thank you, Mr. Chairman and Members of the subcommittee. Good morning. I am pleased to have the opportunity to testify before you today, representing the largest single segment of American postsecondary education—community colleges. My name is Augustine Gallego. I am Chancellor of the San Diego Community College District, and I'm also a member of the Board of Directors of the American Association of American Community Colleges. AACC represents over 1,100 public and private degree-granting regionally accredited two-year institutions of postsecondary education. These comments are also endorsed by the Association of Community College Trustees.

Out of an enrollment of over 140,000 students, the San Diego Community College District has nearly 76,000 adult students enrolled in its job training programs at any time, over one third of whom are classified as economically disadvantaged. These traditional occupational programs include job creation, job retention and work force training through customized contract education programs and our regular on-campus programs. They also include the preparation of entry-level workers, the existing work force, dislocated workers, individuals separating from the military, and those reentering the work force. The goal of the District's job training activities is to enhance the quality, productivity and competitiveness of all segments of local business, industry and government through a collaborative educational system.

The San Diego Community College District currently offers both short and long-term job training career programs at three colleges and 10 continuing education centers. The District offers over 110 majors in traditional course work, occupational course work.

One example of a program that has wide-reaching effects in our community is the electronics training program at our downtown skills center. This program retrains students in consumer and industrial electronics and computer repair. The skills center electronics program is currently training workers laid off from General Dynamics, Hughes, ROHR Aerospace and shipbuilding firms such as National Steel and Shipbuilding Company.

As these students graduate, over 75 percent of them are obtaining new jobs with such firms as Sony, Hewlett Packard and Qualcomm. This nine-month program does more than prepare students for industry, it refurbishes Hughes' computers donated by Pacific Bell that are often then donated to elementary and secondary schools.

This program would be "dead in the water" without the Vocational and Technical Education Act funds. The program receives between $25,000 and $50,000 a year in these funds to purchase needed equipment and supplies.

A consolidation of many Federal job training programs will help conserve limited resources and maximize services provided for incumbent and future workers. To accomplish this, the community needs to promote cooperation and communication among all participants involved in the development and delivery of work force preparation programs.

What the SDCCD is recommending is to empower established and mandated State and local entities and encourage high levels of collaboration between them. Community colleges should be key players in a job training system of the future because of their track record.

Performance standards and accountability measures should be established to ensure that training programs are of high quality. Service providers, along with other stakeholders in the system, should be included in the establishment of these measures.

A report was compiled last year for AACC by the Community College Roundtable entitled, "Community Colleges: Core Indicators of Effectiveness." The aim of this report was to provide a much needed focus on effectiveness by identifying a small core of indicators that could be used by any college. The report includes 13 core indicators, but I would like to highlight five that are particularly germane to standards for job training programs. These include: the placement rate in the work force; employer assessment of students; demonstration of critical literacy skills; demonstration of citizenship skills; and, client assessment of programs and services.

Community colleges caution against the establishment of only one block grant that incorporates all education and training programs for adults and youth. This approach can easily lend itself to an unhealthy situation in which masters of quality programs and initiatives are defunded because of decisions at the State level.

The establishment of several targeted block grants as this committee has been deliberating is a more logical structure that will encourage States to continue using particular structures established in Federal legislation that have proven successful.

Community colleges oppose the Clinton Administration's proposal to remove students from the Pell Grant Program and instead give them skills grants administered by the Department of Labor. Current eligibility for student financial assistance programs should not be altered in the restructuring of job training programs.

The prospect of the Carl D. Perkins Act being included in a block grant with a job training program such as JTPA or consolidated into a block grant targeted toward youth is a concern. Community colleges have benefited greatly from this limited Federal investment. The postsecondary share of Perkins funds is about 35 percent of all Perkins moneys to develop programs that benefit adult students.

Community colleges are very pleased that the Tech-Prep education program was preserved by the House during the floor debate of fiscal year 1995 recision legislation. Tech-Prep serves as a model for the overall School-to-Work effort, and we urge that an emphasis on this program be included in the consolidation legislation. The development of a successful work force preparation system requires the collaborative efforts of schools, future employers, public agencies and private sector businesses. It also requires a stated national vision and appropriate support to see it implemented.

We look forward to working with Congress to develop policies that will create a quality job training system that will provide superior training for the work force of the 21st century.

Thank you very much, and I would be happy to answer any questions the Members of the subcommittee may have.

Chairman. McKEON. Thank you very much, Mr. Gallego.

[The prepared statement of Mr. Gallego follows:]

AUGUSTINE P. GALLEGO

Good morning Chairman McKeon and members of the Subcommittee. I am pleased to have the opportunity to testify before you today representing the largest single segment of American postsecondary education-- community colleges. My name is Augustine Gallego. I am Chancellor of the San Diego Community College District. In addition, I am also a member of the Board of Directors of the American Association of Community Colleges (AACC). I am here today to represent the views of my institution and those of AACC on federal job training programs for adults. AACC represents over 1,100 public and private degree-granting regionally accredited two-year institutions of postsecondary education. These comments are also endorsed by the Association of Community College Trustees.

Changes in national vocational education and job training initiatives need to be based on current economics and social realities. It must be recognized that occupational education is as much an economic development effort as it is an educational effort. There needs to be a national perspective that moves education toward a coherent system of workforce training.

Like nearly all community colleges, the San Diego Community College District (SDCCD) deals primarily with students eighteen years and older. SDCCD has nearly 76,000 adult students enrolled in its job training programs at any time. These traditional occupational programs are one part of many District activities that contribute to the economic health and development of San Diego. These activities include job creation, job retention, and workforce training through customized contract education programs and regular on-campus programs. They also include the preparation of entry-level workers, the existing workforce, dislocated workers, individuals separating from the military, and those reentering the workforce. The goal of the District's job training activities is to enhance the quality, productivity, and competitiveness of all segments of local business, industry, and government through a collaborative educational system.

Several key statistics from our District should be of interest. For example:

1) In the San Diego region the number of people in school (800,000) nearly matches the number of people in the workforce (980,000).
2) Three fourths of the SDCCD's 100,000 students are in job preparation programs,
3) 86% of SDCCD's occupational students are employed part or full-time and 55% of those are taking courses to advance in their jobs. Most of our programs, therefore, are helping our student keep their jobs or advance within their career choices.
4) We seem to do a good job of it since over 80% of those students requiring licensure achieve it on their first try.
5) Also from follow-up studies of our graduates we know that 91% of our students feel that SDCCD classes helped them meet their educational goals.
6) The SDCCD student averages 28 years of age, 52% are from minority groups, 51 % are women.
7) Of the District's 76,000 adult job training students over one third, or 28,000, are

classified as economically disadvantaged.

Many outside forces are compelling us to make economic development an important part of California's, and the Nation's, educational mission. In California, these forces include the prolonged economic downturn and the fiscal crisis it initiated, the demographic changes in our population, and changes in business and industry-- all of which encourage a higher level of educational involvement in economic development activities. These environmental pressures have forced us to consider new learning strategies and elevated levels of accountability, as measured by student results. The SDCCD now matches the workforce training it provides with the economic needs of its community through responsiveness to regional employment trends.

Besides these social/economic forces, there are several national educational initiatives that compel change. Such national initiatives as School-to-Work/Career, Tech-Prep, Goals 2000, and the 1990 reauthorization of Perkins have reemphasized the role of education in economic development. The goal of these national programs is systemic change in the way education and businesses interact and their mandates have caused a closer linkage between work and all segments of education. These changes are greatly influencing workforce training in our District.

The SDCCD currently offers both short and long-term job training /career programs at three colleges and ten continuing education centers. The District offers over 110 majors in traditional occupational coursework. These programs prepare people for entry-level jobs or for advancement to higher-level positions, maintain their licenses or certifications, and retrain individuals considering changing occupations or those who have been laid off.

One example of a program that has wide reaching effects in our community is the electronics training program at our downtown Skills Center. This program retrains students in consumer and industrial electronics and computer repair.

At the height, approximately 2,000 to 3,000 people per month are being laid off in San Diego due to defense cutbacks. The Skills Center Electronics Program is currently training workers laid off from General Dynamics, Hughes Aircraft, ROHR aerospace, and shipbuilding firms such as NAASCO. As they graduate, over 75% of these students are obtaining new jobs with such firms as Sony, Hewlett Packard, and Qualcomm.

This nine-month program does more than prepare students for industry. It refurbishes used computers donated by Pacific Bell that are then donated to elementary and secondary schools. The computers are critically needed when you consider that California is 49th out of 50 states in the ratio of students to computers. The program is also frequently used by university students to get the "hands on" training they need to be successful engineers.

This program would be "dead in the water" without VATEA funds. The program receives between $25,000 and $50,000 a year in VATEA funds to purchase needed equipment and supplies.

A second example is the Center for Applied Competitive Technologies, or CACT. This Center helps manufacturers with adaptations to new technology and new management techniques to increase their competitiveness. Most of the 3,500 firms it has helped are small and medium sized manufacturers producing such products as metal parts, machinery, electronic components, plastics, chemicals, and food items. The Center operations include an extensive training program to prepare technicians to work on automated equipment and another which focuses on advanced machining practices, such as numerical control. The Center also coordinates several contracts for industrial training and maintains a consultant pool to help industry with specific technical and managerial problems.

The CACT was conceived at San Diego City College and has spread to a statewide initiative encompassing eight similar Centers. Although initially funded with state funds, without VATEA support, the idea would have never gotten off the ground. While the Center now generates much of its operational income for its own services, several Federal and state grants also help support the activities of the Center. The CACT is an affiliate of NIST's California Manufacturing Technology Center, a partner in the Education Department's National Cooperative Demonstration Program to develop a national training model in machine tool education, and has received a grant from the Commerce Department to establish the San Diego Technology Incubator.

Besides the above programs, the San Diego Community College District conducts several other program activities that give it an active role in helping to carry out the region's economic adjustment plan that includes:

1. BUSINESS INCUBATORS such as the high-tech business incubator at City College in downtown San Diego,
2. HIGH TECH RESOURCE CENTER of San Diego is being developed as a one-stop center for all forms of technical assistance to San Diego's manufacturing and high technology firms,
3. THE SEED CAPITAL FUND, a revolving loan fund to finance the efforts of new and existing small businesses to accelerate the commercialization of existing technology,
4. DISLOCATED WORKERS/DEFENSE CONVERSION ACTIVITIES such as the partnership with the San Diego Consortium/PIC to provide assessment testing and retraining programs for dislocated workers,
5. CUSTOMIZED TRAINING/CONTRACT EDUCATION for business, industry, governmental agencies, and the military through the Employee Training Institute (Eti),
6. WORKPLACE LEARNING RESOURCE CENTER that is one of the seven state-funded regional centers in California designed to help employers and their workers with basic skills needs,
7. TRAINING FOR THE U.S. NAVY, which the District has provided under contract for the past twelve years,

8. SAN DIEGO CAREER CENTER, which serves as an excellent example of collaboration among the San Diego Community College District, the Employment Development Department, and the San Diego Consortium and Private Industry Council to provide integrated services to unemployed and underemployed San Diego workers,
9. NEW BEGINNINGS PROJECT AND THE INSTITUTE FOR COLLABORATIVE MANAGEMENT (ICM), which are instances when several public agencies in San Diego, through collaboration, leveraged existing resources, eliminated duplication of effort, and expanded services to common clients,
10. ADVANCED TRANSPORTATION CENTER at Miramar College that will train students for both current transportation occupations and new and emerging advanced transportation technologies,
11. BARRIO LOGAN REDEVELOPMENT PROJECT that includes a cooperative agreement between the Redevelopment Agency of the City of San Diego and the District to construct an educational building to open an educational/cultural center,
12. WORKFORCE EDUCATION AND LIFELONG LEARNING (C-WELL), a collaborative effort to prepare teachers to work with adult learners.

It is important to note that many educational reform initiatives call for increased academic achievement as contained in the GOALS 2000 Act of 1994. Recently mandated School-to-Work/Career and Tech Prep programs emphasize the importance of integrating academic education with career training, including work based experiences. The skills recommended by the Secretary's Commission on Achieving Necessary Skills (SCANS) are needed to prepare all students for successful entry into the job market and should be integrated into all educational programs.

To accomplish this, the community needs to promote cooperation and communication among all participants involved in the development and delivery of workforce preparation programs. A spirit of mutual trust must be established by equitable representation of the training community participants, with others in setting workforce training goals. Pooled resources, shared information, and collaborative decision-making are required to establish community partnerships and maintain active commitment to workforce preparation programs. It is essential that national incentives be established to ensure high levels of collaboration among various regional advisory groups. What the SDCCD is recommending is to empower established and mandated state and local entities, and encourage high levels of collaboration between them.

General Issues

It is critical to re-evaluate the system that has evolved to deliver job training services to incumbent, dislocated, and future workers. Throughout the years, community colleges across the country have been valuable partners with business and local leaders in providing education and training programs that give individuals the high level skills they need for employment.

BEST COPY AVAILABLE

The consolidation of many Federal job training programs will help conserve limited resources and maximize services provided for incumbent and future workers. AACC supports this consolidation. We also recognize the severe budget restraints under which this effort is being undertaken. This limited funding only reinforces the need to invest funds in strategies that have been successful. Community colleges should be key players in the job training system of the future because of their track record. Therefore, we recommend that all institutions of higher education that are eligible to participate in the Title IV, Higher Education Act programs (student financial assistance) automatically be eligible to provide education, training, and workforce development services in any restructured job training system. We adamantly oppose using State Postsecondary Review Entities (SPREs) to review or evaluate job training programs, as has been proposed earlier by the Administration. Whatever their other merits, SPREs have no expertise in this area.

Standards

Performance standards and accountability measures should be established to ensure that training programs are of high quality. Service providers, along with other stakeholders in the system, should be included in the establishment of these measures. They should take into account the population served, the stated education goals of students, and other factors unique to each training institution.

A report was compiled last year for AACC by The Community College Roundtable, a special purpose group of community college executive officers, entitled Community Colleges: Core Indicators of Effectiveness. The aim of this report was "to provide a much-need focus on effectiveness by identifying a small core of indicators that could be used by any college...". The report includes 13 Core Indicators, but I'd like to highlight 5 that are particularly germane to today's discussion.

Core Indicator 4: Placement Rate in the Work Force. The proportion of an identified entering community college cohort achieving a "marketable skill" (i.e., completing at least three occupational/technical courses in a particular field of training) who obtain employment in a field directly related to this skill within one year of last attendance.

Core Indicator 5: Employer Assessment of Students. The proportion of a sample of regional employers in a given field indicating that their employees who received training at the community college exhibit skills and job performance at rates equivalent or superior to all employees.

Core Indicator 9: Demonstration of Critical Literacy Skills. Although the report indicates that no single statistic satisfies the intent of this indicator, it is none the less a critical standard for workers to reach. Community colleges must, and can ensure that literacy skills are taught throughout their curriculum and regularly embodied in local assessments designed by faculty.

Core Indicator 10: Demonstration of Citizenship Skills. This indicator relates to the concept of life long learning. It is important that students not only learn skills that they can translate to the job they receive after they complete their coursework, but they must also obtain skills that they can use in any job for the rest of their careers. Measures of citizenship could include student portfolios documenting citizenship activities they participated when they were enrolled such as volunteer work, the participation in group exercises, or specifically designed exercises that require students to determine the impact of their actions on others.

Core Indicator 11: Client Assessment of Programs and Services. Just as it is important that employers have the opportunity to evaluate the type of training a student receives, it is also important for the student to provide an evaluation of the program in which they were enrolled.

Block Grants

Some type of job training block grant will be passed by this Congress. Community colleges caution against the establishment of only one block grant that incorporates all education and training programs for adults and youths. This approach can easily lend itself to an unhealthy situation in which masses of quality programs and initiatives are defunded because of decisions at the state level. The establishment of several targeted block grants, as this committee has been deliberating, is a more logical structure that will encourage states to continue using particular structures established in federal legislation that have proven successful. This would include programs such as Tech Prep, some school-to-work initiatives, programs for dislocated workers, and skills upgrading and literacy programs for adults to enter or advance in the workforce.

A state level governing body should be set in place to oversee the job training efforts of the state along the lines of the State Human Resource Investment Councils established in the Job Training Partnership Act. The major stakeholders in the system that should have representation on this panel include businesses, local government, and given their centrality to the provision of workforce training-- community colleges.

If the job training legislation allows states to issue vouchers to workers so that they may directly choose their own training, there must be measures taken to ensure that all potential providers of education and training have the opportunity to compete on a level playing field to provide services. Community colleges and other providers have had mixed success working with JTPA's Private Industry Councils. In some areas, this relationship has been difficult, in others, close to ideal. These situations reinforce the imperative that steps be taken to ensure that structures that have failed in the past are not duplicated in the new system, and those that have worked are allowed to continue. Business and industry input is critical to creating job training programs that work, but this collaboration with providers does not have to be through the PIC structure.

Pell Grants for Training

Community colleges strongly oppose the Clinton Administration's proposal to remove students from the Pell Grant program and instead give them Skills Grants administered by the Department of Labor. The current eligibility for student financial assistance programs should not be altered in the restructuring of job training programs.

Why do we feel so strongly about this? First, the Pell Grant program is a quasi-entitlement for those who meet its stringent need analysis, and this access should be maintained for all students. Secondly, the Administration's scheme would impose enormous and unnecessary administrative burdens on community colleges to operate a program for disadvantaged students that is similar to, but different from, the Pell Grant program. In addition, making a distinction between eligibility between associate degree and sub-associate degree students is arbitrary, and also connotes that our certificate programs somehow differ substantively from AA programs, when they are in fact, hardly different at all. They are just a shorter version in many cases without the traditional collegiate support courses.

Career Centers

All citizens seeking employment or looking to upgrade their skills need easy access to the information and services they need to obtain good jobs. The establishment of career centers is a good way to make this information available. Many states and localities have moved forward with this initiative and community colleges have been in the forefront of some of these efforts. Last year, the Employment and Training Administration of the U.S. Department of Labor awarded one stop funding to six states. Three of these states (Iowa, Maryland, and Wisconsin) have specifically included community colleges as part of their delivery system. AACC supports the use of career centers as a part of a workforce development strategy.

Student Assessment

Many Americans benefit from short term training programs to upgrade their current skills. Others, however, need long term training, especially workers who have been displaced from jobs due to structural changes in the economy. Therefore, job training systems of the future must support programs that will provide longer term training up to and including one year credit based certificate programs as well as associate degree programs. Different individuals will need different specific types of training. That is why it is important that assessments of a student's skills be taken so that they can be enrolled in a program that is right for them. Perhaps consideration should be given to providing a more in depth assessment of students than is often done presently.

Carl D. Perkins Act

During this consolidation, it is important to consolidate programs that are somewhat similar in thrust. Community colleges are concerned about the prospect of the Carl D. Perkins Vocational and Applied Technology Education Act being included in a block grant with job training programs such as JTPA, or consolidated into a block grant targeted toward youth. Community colleges have benefited greatly from this limited federal investment-- the postsecondary share of Perkins funds is only about 35% of all Perkins money-- to develop programs that benefit all students. For this reason, we are concerned about the current Perkins being remodeled and targeted at youth specifically. In this context, it is important to remember that the average age of a community college student is 29 years old.

It is clear that the current Perkins Act will be reconfigured. However, whatever program or strategy that emerges as its successor should continue to emphasize education programs rather than short-term job training or economic development, and must focus on program improvement in occupational education. Federal Perkins funding has provided state education agencies the flexibility to improve and enhance their occupational programs to serve students of all ages. Block granting Perkins with programs primarily targeted at workers, not institutions and providers, could seriously dilute the commitment made to successful initiatives that have been traditionally linked to the Perkins Act. Finally, federal funding in occupational education represents only a small fraction of the overall occupational education mission within a state. In contrast, federal job training programs are predominantly, if not totally, funded with federal dollars. Thus, we find these programs very different in thrust, purpose, and funding structure.

Allow me to make a final point about Perkins. Community colleges are very pleased that the Tech-Prep Education Program was preserved by the House during floor debate of the FY 1995 rescission legislation. Tech-Prep has provided important coordination between secondary and postsecondary education, integrated academic and vocational education, and brings the world of work closer to the classroom. This program can serve as a model for the overall school-to-work effort, and can be looked to to continue to spur articulation between secondary and postsecondary education, and linkages between vocational and general educational curricula. We urge that an emphasis on Tech-Prep be included in the consolidation legislation.

Community Colleges Across the Country

Allow me to conclude with examples that highlight the type of involvement community colleges have had with business and industry around the country. These examples clearly indicate the commitment community colleges have to train and retrain America's workforce:

CLEVELAND STATE COMMUNITY COLLEGE: CLEVELAND, TENNESSEE

Cleveland State Community College (CSCC) has functioned as the administrative entity and grant recipient for the 5th District Private Industry Council (PIC) since the inception of the Job Training Partnership Act (JTPA). CSCC has served the area of Southeast Tennessee in a very efficient manner. Many job training programs are provided through the college's various divisions. However, the need for non-duplication of service has also established a need to contract services with other entities in the Service Delivery Area (SDA). The progressive and creative thinking behind the PIC has ensured that all job training resources are utilized to maximize services to participants. In Tennessee, the job training programs are consolidated to provide maximum use of resources. At CSCC, the college is responsible for JTPA adult and youth grants, Economic Dislocated Worker Adjustment Assistance (EDWAA) funds, Job Opportunity and Basic Skills (JOBS) funds, and JTPA 123 8% funds. This funding mix combined with resources provided by the college creates a stream-lined approach to deliver services in our local communities, all directed by the PIC.

This current year the SDA has received approximately $2,182,387 in JTPA, EDWAA, and JOBS funds. These funds have provided services to 1388 individuals which is a cost per enrollment of $1572. This cost effective rate includes services to 279 welfare clients, 401 summer youth participants, 153 dislocated workers, 198 year-round youth participants, and 357 adult clients. The services provided include occupational skills training at CSCC and the Tennessee Technology Center-Athens, On-The -Job Training, GED/Basic Skills Training, Job Placement Assistance, Survival Skills for Women Classes, Survival Skills for Youth Classes, Survival Skills for Men Classes, Work Experience, Youth Competency programs, as well as other services to employers.

Having excellent customer service and being cost effective does not in itself create a model job training program. Being accountable and having positive outcome based performance is the final true measure of success for a program. In 12 years of operating the JTPA program for the PIC, CSCC has had no unresolved questioned cost. Further, since 1985, the SDA has met or exceeded all required performance standards for the JTPA program. In 1991, the SDA received the Governor's Cup for the Highest level of performance of any SDA in Tennessee.

This program has demonstrated that community colleges can and do provide excellent delivery of job training programs. Further, the consolidation of services, accountability, and cost efficiency found in this program can be duplicated throughout community colleges in this country to create a national job training network.

RICHLAND COLLEGE: DALLAS, TEXAS

Richland College started the Richland Skills Training Center (RSTC) in 1989 to provide job training programs and supportive services for disadvantaged adults and youth from Dallas County. With support from the Private Industry Council (PIC) of Dallas and the Texas Department of Commerce, the Center has become the county's largest job training provider, serving over 600 individuals in the past year. Job training is currently offered in the fields of microcomputer systems technician, microcomputer repair technician, medical records coding technician, medical administrative assistant, and computer-based bookkeeping. The Center also provides basic skills, high school completion, and college-preparatory instruction for youth, and re-employment and job preparation programs for dislocated and older workers. The Center is financed by funds from JTPA, the Department of Housing and Urban Development, and significant resources from Richland College. Additional support is provided by the Texas Employment Commission, agencies supported by Title I of the Older Americans Act, and literacy funding from the Adult Education Act.

The Center's Microcomputer Systems Technician program received a "1994 JTPA Award For Excellence" from the National Association of Counties (NACO) recognizing it as an "exemplary employment and training program nationwide." The program, started in 1992, provides 770 hours of "fast track" training for dislocated workers in computer programming, software and hardware architecture and applications, networking, problem solving, and quality control. In addition, basic skills instruction, job readiness, and job search activities are also offered. The program has consistently exceeded its goals, placing and retaining over 100 (96%) of the program's participants at an average wage of over $12.00/hour while the JTPA cost per participant has remained at a low $2,834.

The RSTC's Center for Retraining Experienced Workers (CREW), funded by the Texas Department of Commerce, helps adults over the age of 55 acquire additional skills to re-enter the job market through classes in technical areas such as computer skills, word processing, and job preparation activities. CREW also assists clients with a comprehensive job placement program. In less than two years, CREW has served over 200 older individuals; approximately 130 have completed training and over 75% are successfully employed. The program has received national attention with articles in a number of newspapers and several television and radio interviews.

As these examples indicate, the Richland Skills Training Center has become a high-quality job training facility serving disadvantaged adults and youth in Dallas County. This success stems from strong partnerships among the PIC of Dallas, the Texas Department of Commerce, the Texas Employment Commission, numerous local agencies, Richland College, and from the enthusiasm and hard work of a staff of dedicated employees.

VALENCIA COMMUNITY COLLEGE: ORLANDO, FLORIDA

Assessment, Training, and Placement of Laid-Off Martin Marietta Employees

Valencia Community College is the subcontractor under a U.S. Department of Labor grant to provide assessment, training, and placement services to the employees of Martin Marietta who have been laid off due to defense spending cutbacks. This innovative and highly successful program is an example of how a community college can provide these assessment and training services to the specification of local business and industry resulting in job placement and satisfied employers. The program began in the Fall of 1993 and, to date, 1,205 persons have enrolled. Of these, 874 have completed career skills workshops, 547 enrolled in additional skill training at many levels in 53 different educational institutions, and 599 have been placed in jobs.

High Tech Training for Persons With Disabilities

Valencia's award-winning and federally funded Center for High Tech Training with Disabilities trains severely disabled persons for careers in computer programming and computer assisted design. Designed and directed by a local business advisory council, students are trained to meet the exacting specifications of local high technology employers, leading to a very high job placement rate and employer satisfaction. This program moves people from public assistance (SSDI or SSI) into jobs that enable them to contribute as taxpayers. 75% of the class is on public assistance. Those who are employed upon entering the program move from an average incoming wage of $85.50 per week to an exit wage upon placement of $434 per week.

EASTERN IOWA COMMUNITY COLLEGE DISTRICT: DAVENPORT, IOWA

Manufacturing Class Project

The Eastern Iowa Community College District functions as the administrative entity and grant recipient for the 9th District Private Industry Council under the Job Training Partnership Act. Jackson County Industrial Managers meet every month and discuss common issues. JTPA met with all managers and asked how it may be of service to them. They listed certain skills that they would like to see in potential applicants. JTPA put together a class through the Eastern Iowa Community College District to meet those needs four years ago and has held a manufacturing class for JTPA participants since then.

The local managers wanted applicants that had good math skills, could use measuring devices, had some knowledge of Statistical Process Control and blue prints. Since the first class, computer literacy, hazardous material safety, and fork lift safety have been added to the curriculum. The goal of the program is to place the participants in entry level manufacturing positions after an intense 174 hour, 5 days per week, 7 week program. Only 10 people can participate in the class. The class has enrolled 2A, 2C, and III participants. 50% of all participants have been female. Referrals have come from Promise Jobs, plant closures, and school counselors.

The most recent classes were held in October and November. All but one participant has secured employment. He is still in a 90 day pending status. Of all the four classes, only one person has failed to find employment within the 90 days. That student has chosen to wait to try to find a management position. All placements have been made in manufacturing.

Employers have been invited to sit in on classes and have interviewed right in the classroom. Some employers have made offers to participants while they were still in class. All the employers have wanted the participants to complete the class before beginning work. In addition, to assist with job placement, resumes and cover letters are mailed to all local manufacturers.

Although the class has an 8th grade math level requirement, some participants with 6th and 7th grade levels have been accepted because they have shown themselves to be very motivated. Because of the high level of math that is taught in class, tutors are offered to some of the participants. Anyone falling behind has a tutor available to them. Certificates are awarded to each participant upon completion of the class.

Conclusion

All our efforts to increase the educational level of our citizens and build a world-class workforce by the year 2000 are ambitious and challenging. The development of a successful workforce preparation system demands a shared vision and a willingness to pool resources. It also requires the collaborative efforts of schools, future employers, public agencies, and private sector businesses, as well as support of social service agencies, communities, neighborhoods, and families. It also requires a stated national vision and appropriate support to see it implemented. Community colleges look forward to working with Congress to reach these goals.

Thank you very much.

Chairman. McKEON. Mr. Evans.

STATEMENT OF J. HANDEL EVANS, VICE CHANCELLOR, CALIFORNIA STATE UNIVERSITY

Mr. EVANS. Thank you, Mr. Chairman, and good morning to you. And, as you mentioned, Vice Chancellor Broad is in disposed, so thank you, particularly, for allowing me to speak on her behalf.

My purpose in being here is really twofold, to support the principles set out in H.R. 511 and to plead that, perhaps, unlike times past, comprehensive universities be recognized as important contributors to work force preparation in any comprehensive system of adult training.

I represent the California State University system, the largest four-year baccalaureate system in the Nation, with an enrollment of approximately 360,000 students, very soon to go over half a million.

As such, we grant approximately 60,000 degrees every year, particularly, in those areas such as engineering, nursing and teaching, which are so reflective of our work force needs.

Now, while many of our students are what one might consider conventional students, 18 to 24 years old, the majority are not. Indeed, our average age is 27, the great majority of whom are already in the work force.

As such, we are conscious of work force needs and, in particular, how those needs change, and because of the character of our institutions we can respond to the demand.

The reengineering of America is not unique to industry. We are seeing it in all aspects of our society, in fact, we are experiencing its forces at work here in this room today. And so it is with higher education, there is a need for us to change.

We recognize the centrality of the role of higher education in any comprehensive system of adult training, and as we have done in the past, our system, working with other educational elements, will reach out to assist the worker who needs to upgrade skills, who needs to change skills, or the worker who needs to acquire skills.

In our system, this comprehensive mission includes the accommodation of the displaced, highly specialized, highly educated defense engineer, to providing access to higher education to low-income workers who have not heretofore seen it.

As we encourage the present 280,000 enrollments in over 42,000 courses outside of our regular baccalaureate curricula offerings, our roots into the work force cause our mission to grow and blossom, and this symbiotic relationship between our conventional programs, and our work force needs, and our effects in the work force surrounding us benefits all.

This relationship, and its growing importance to the future of us all in the CSU, manifests itself in two of our future programs that we hope to demonstrate in terms of your needs. As you probably know, we are actually founding this year a new university at Monterey Bay, a non-traditional university connected from the very, very beginning in a relationship between the work force and the learning curriculum, where all students will be expected to sit in both worlds, and secondly, a major, major investment in technology of all types, which will, we hope, and trust and believe, break down many of the conventional barriers between higher education and the work force and provide access for all. Last, but not least, a return to H.R. 511.

You have identified at least 150 Federal programs. In California, the State Job Training Coordinating Council has identified 41 agencies or groups that administer these programs. This, perhaps, reflects the scope and the complexity of individual programs under their purview.

In supporting these many programs, and then beginning to consolidate under H.R. 511, I repeat my earlier request to have higher education considered an important contributor, and in doing so provide as much flexibility as possible in the legislation to allow us all to meet these important problems.

Mr. Chairman, thank you very much for the opportunity to address your committee.

Chairman. McKEON. Thank you very much.

[The prepared statement of Mr. Evans follows:]

March 21, 1995

TESTIMONY OF MOLLY CORBETT BROAD
EXECUTIVE VICE CHANCELLOR
THE CALIFORNIA STATE UNIVERSITY
before the
SUBCOMMITTEE ON POSTSECONDARY EDUCATION, TRAINING, AND LIFELONG LEARNING
HOUSE COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITY

Adult Training: a Higher Education Perspective from the California State University[1]

SUMMARY OF PRINCIPLE POINTS

- The California State University is a major provider of workforce preparation. Each year the CSU awards over 60,000 degrees, the vast majority of which are in career oriented fields. The CSU welcomes this attention to workforce preparation and training issues on the part of the Federal government.

- In this era when occupations are changing with increasing rapidity and requiring more and more knowledge, the best workforce preparation is an education that equips people to continue learning throughout their careers and lives. The best education system, kindergarten through graduate degree, is one that enables workers to cope with transitions from school to work to school to work, etc. Such a system will include career ladder opportunities at those points where individuals reenter the educational process. Such a system will require better articulation and coordination among K-12, community colleges, universities and other providers of educational and training services. Such a system would be vastly facilitated by one-stop job centers, a concept the CSU supports.

---

[1] The California State University was established in 1960 by the Donahoe Act under the *Master Plan for Higher Education in California 1960-1975*. The CSU consists of 21 university campuses and the California Maritime Academy. The system enrolls approximately 340,000 students. It awards approximately 55,000 baccalaureate, 10,000 master's and 40 doctorates (jointly with the University of California) annually. Annual expenditures exceed $2 billion of which about 80 percent is provided by the state, the remainder is primarily raised from student fees.

- Specific adult training and retraining programs are totally consistent with CSU's instructional mission related to its baccalaureate, graduate, and teacher training programs. Expanded involvement with training and retraining has the potential to continually revitalize our degree programs and to stretch our curricula and programs in new and non-traditional ways.

- The CSU's extension programs and the newly created CSU Institute provide ideal means for providing training and retraining programs. The extension programs have always been involved with training activities within the local communities. The CSU Institute provides a means to facilitate the expansion of these activities in conjunction with the CSU campuses and in partnership with other private or public agencies.

- CSU has placed a high priority on expanding the applications of electronic technology (including computing, video, multi-media, electronic networks) to instructional delivery. The technology allows instruction to be offered without regard to time and place. With this technology adult training can be provided at times and places throughout the state to client groups who may be, for example, place bound with family care responsibilities

- The CSU supports the intent of H.R. 511 to better coordinate the nation's adult training activities. Such improved coordination is also sought at the state level through the efforts of the State Job Training Coordinating Council. Such coordination should not, however, result in a loss of flexibility in the design of programs to best address the myriad of training needs.

- The CSU urges that H.R. 511 be drafted to recognize universities as important contributors to workforce preparation and as central to any conception of a comprehensive system of adult training.

TESTIMONY OF
MOLLY CORBETT BROAD
EXECUTIVE VICE CHANCELLOR
THE CALIFORNIA STATE UNIVERSITY
before the
SUBCOMMITTEE ON POSTSECONDARY EDUCATION, TRAINING,
AND LIFELONG LEARNING
HOUSE COMMITTEE ON ECONOMIC AND EDUCATIONAL
OPPORTUNITY
March 21, 1995

Adult Training: a Higher Education Perspective from the California State University[1]

California, the Recession, and Higher Education

Higher education in California has historically benefited from the state's economic prosperity. Much of this prosperity can be linked directly to our massive investment in higher education. As the state's economy soured during the past decade due to the deepening recession, and defense cutbacks threatened the health of significant regions of the state, our systems of public higher education examined strategies to aid in California's recovery. Rather than remain passive, we actively sought ways in which we could play a more aggressive role in positioning the state for a sustained and healthy comeback.

Adult training is part of any strategy for sustained recovery, just as an on-going commitment to the continued retraining and skills upgrading of the work force is a central feature of the next century's economy. California is addressing this challenge in a number of ways, as public officials and educators seek to coordinate better the myriad of current programs, look for ways to enhance program delivery efficiencies, and design programs which seek to educate men and women with the skills and aptitudes most relevant for the emerging economy.

---

[1] The California State University was established in 1960 by the Donahoe Act under the *Master Plan for Higher Education in California 1960-1975*. The CSU consists of 21 university campuses and the California Maritime Academy. The system enrolls approximately 340,000 students. It awards approximately 55,000 baccalaureate, 13,000 master's and 40 doctorates (jointly with the University of California) annually. Annual expenditures exceed $2 billion of which about 80 percent is provided by the state, the remainder is raised primarily from student fees.

The single most critical point I want to make in this statement is that colleges and universities are part of these efforts, seek meaningful inclusion, and want to be viewed as an integral part of strategies for economic development. This factor may seem self-evident. However, one of the most pervasive misconceptions in this field is that postsecondary education institutions have no role to play; that there is an insurmountable distinction between what is thought of as "adult training" and what is defined as "college". In a value-added, high-technology economy, such distinctions are distractions from what should be the focus of our discussions – how to better coordinate between the so-called "vocational" and "academic" sides of this mutual enterprise.

This statement is a basic assertion that four-year colleges and universities must join and work with our colleagues in the vocational and community colleges in order to better serve a rapidly changing job market. The California State University does not make this statement cavalierly – such efforts, or the changes in behaviors and attitudes that would be required among academic educators, do not come easily. Nevertheless, we are proud to be a part of such change, and have several initiatives which achieve this goal.

Educational Attainment and Employment

Let me first describe the California State University. We are a special kind of four-year university. As a comprehensive university, our programs span the traditional undergraduate and graduate curricula (up to the masters level, and including teacher education and other professional programs). However, our students are anything but traditional. They are older -- average age 27 -- and the vast majority of them work while attending school part-time. Our students represent the truest immediate connection between "higher education" and "adult training". They are adults, and they want to be employed when they graduate.

The relation between educational level and employment is an appropriate place to start a discussion about training. The probability of being unemployed decreases as the number of years of schooling increase. Unemployment rates are lowest for those with the most education. Unemployment rates are highest for those with the least education. These differential unemployment rates by level of education reflect the fact that education and training, especially to high school and beyond to college, is of important functional value in the workplace. This observation is at the root of one of the most difficult adult training problems, how to improve the employability of those adults who received inadequate education and training in their youth or whose qualifications are no longer adequate to compete for today's jobs. Projections suggest the need for such training is going to become more intense.

The long-run trends in the U.S. labor force toward an increasingly higher proportion of professional, managerial, and technical occupations, as forecast by the U.S. Department of Labor, suggest that the employment prospects of college graduates are good relative to those who don't have degrees.[2]

---

[2] Between 1992 and 2005, employment in occupations classified as "executive, administrative, managerial, professional or technical" is projected to grow by 32.5 percent, employment in occupations classified as "marketing, sales, administrative support, including clerical" is projected to increase by 13.9 percent, and employment in occupations classified as "services, agriculture, forestry, fisheries, production, craft, repair, operatives, and laborers" is projected to increase by 18.8 percent. Source: "The American work force, 1992-2005, Occupational employment: wide variations in growth, "*Monthly Labor Review*, U. S. Department of Labor, November, 1993.

Growth of occupations that typically require a high school diploma is also projected to grow but at a somewhat lower rate in part because of the declines in clerical occupations related to the introduction of the desktop computer and word processing.

The occupational groups where education is least necessary are also growing at a slower rate than the entire labor force - low pay jobs in the services sector are growing rapidly- but this job growth is offset by relative declines in other jobs with little or no educational requirements in manufacturing, transportation, and resource extraction.

Higher Education and Training

Having asserted that higher education in general, and the California State University in particular, is an integral part of this nation's adult training system, I offer the following statements to make this assertion more concrete:

1. The CSU's regular state supported instructional programs educate students (young adults) preparing them for the workforce.

2. Within these instructional programs, CSU educates a substantial number of the state's K-12 teachers,[3] community college instructors, social workers, and counselors. These programs are particularly relevant to the topic of training and adult training because all of these professionals are involved directly with providing instruction and counseling to various segments of the population.

---

[3] The CSU annually recommends over 10,000 individuals for California teaching credentials. It is estimated that half of the faculty of the California Community Colleges have at least one degree from the CSU.

3. Through our extended education programs the CSU now provides a range of adult education activities including training, credentialing, certification, and re-certification.

4. Finally, the newly created CSU Institute, in partnership with business and industry, proposes to facilitate development of extension programs for training and retraining offered through the CSU campuses.

It is in the two latter categories above that the CSU has the greatest flexibility and potential to expand as a service provider for adult training activities of the type with which this subcommittee is most directly concerned. Before expanding upon this point, however, I want to address our regular degree and credential programs.

Education and Training in the Degree and Credential Programs

Many of our students are part-time, many are the first generation of their families to attend college. They see education as an opportunity for a career. The best evidence of this is that approximately 65-70 percent of our baccalaureate degree earners are in applied fields such as business, computer science, engineering, communications/media/journalism, health professions, public affairs and services, and teaching related fields. At the master's level, the students are older, many are re-entrants to the workforce and the proportions in career oriented degrees are even higher.

The CSU is fully committed to providing a high quality education that is relevant to its students. To be relevant, that education must address the career aspirations of our students. But what form should that education take? This is a difficult question that treads the fuzzy boundary between education and training. Given all of the uncertainties of future technology and labor markets, it is likely the best education *and* workforce preparation that could be provided to anyone is in the fundamental skills of reading, communication, computation, problem solving, teamwork, and leadership. The work of higher education necessarily builds upon and extends the foundations provided in elementary and secondary schools.

Our objective can be described by the term "liberally educated professional." This is an individual with just the right balance of specific skills to find the first job and sufficient appreciation of history and cultures as well as general communication, computational, managerial, teamworking, and lifelong learning skills to complete a successful career spanning thirty to forty years and several fundamental changes of occupational activities.

In seeking this objective the campuses devote a substantial amount of continuing effort to designing, evaluating, and re-designing degree programs in response to student and workplace needs.

Campus boundaries are becoming less important. Courses and programs are being offered off-site to reach populations that would not otherwise be able to obtain the instruction. Some of this instruction is offered at formally established centers, some is in temporary quarters at various community sites. The Dominguez Hills campus is offering an entire degree program via television for registered nurses who are working full-time and may be located in remote areas of the nation.

The CSU is firmly committed to using electronic technology (computing, television, multi-media, and communications networks) to the greatest extent feasible. CSU campuses are delivering courses now using both one-way and two-way compressed video. We have a substantial amount of equipment in use and have systemwide commissions developing recommendations for further implementations for instructional systems, administrative systems, and networks.

Probably the single most exciting and important initiative in our system which embodies these concepts is our new campus in Monterey which will open this August. As a central part of the conversion of the former military base at Fort Ord, the California State University is building a campus for the twenty-first century. It combines the most modern technology with a thorough departure from the curricula and programs that often define traditional higher education.

Every student will be expected to combine work and study. The university will not limit its learning enterprise to the traditional boundaries of the campus, but will instead encompass the total community as the context within which the students will learn and be taught. Emphasizing the linkage of the sciences to the arts and languages, there will be no traditional departments at Monterey Bay. Study will be organized thematically and topically, with relevance to real-world issues and problems. All students will have access to the best of the current technology. Students competency will be assessed based on their relevant knowledge and abilities, breaking the bonds of college graduation based on "seat time". The importance of the Monterey campus is that innovations of this scale are not being "piloted" at the margins; they are the central feature of the entire enterprise.

Extension and Adult Training

As was indicated above, it is the extended education programs and the CSU Institute that have the greatest potential to expand adult training activities at sites located throughout the state. The CSU experience with extended education is that working (or unemployed) adults and other non-traditional learners seek and deserve the same level of quality of educational services as the students in the state supported programs.

Adult training activities through the extension programs are substantial. They account for over 280,000 enrollments annually in 42,000 courses offered throughout the state. Courses are offered in over 100 certificate programs in various job-related subjects as well as in the regular degree programs. The extension program also offers specialized training to employees of businesses and various government agencies on a contract basis.

Through extension, campuses have mounted various special programs dealing directly with adult training and retraining such as:

- CSU Northridge, located in the San Fernando Valley where, in addition to the earthquake, there have been major declines in defense related employment, has used funds from the extension program to implement a Center for Occupational Retraining and Achievement that provides courses in basic math, reading and writing, interpersonal communications, and English as a second language.

- CSU Bakersfield and Cal Poly Pomona have a cooperative program developed with the local community colleges in hazardous material management.

- San Francisco State University has established a fee assistance endowment fund to assist extension students enrolled in its Preschool, Day Care, and Early Childhood Education Certificate Program. The students seeking the certificate are typically low income women who work in day care centers.

- CSU Dominguez Hills, in conjunction with the South Bay Private Industry Council and the City of Redondo Beach, has implemented the Math and Science Teacher Corps project retraining aerospace engineers to teach math and science in K-12.

These last two programs typify some of the things higher education can best provide in terms of adult training. At San Francisco, the certificate program provides the students with the first steps on a path that can lead them to community college and then return them to the university to complete a degree. At Dominguez Hills, the program retrains individuals who already have college degrees.

Examples of programs based on Federal Technology Reinvestment Project grants are:

- CSU Fullerton's retraining program of Integrated Environmental Training for Defense Engineers.
- The Southern California Consortium for Education in Manufacturing Engineering, a cooperative project involving the Los Angeles Unified School District, the Los Angeles Community College District, three CSU campuses, UCLA, and USC.

An important characteristic of the programs just described is that they are all directed toward local community training and economic development needs. This is another example that the boundaries of the campuses are becoming less important and a recognition that the campuses exist in, and are a part of, the local economies. This type of involvement does not detract from the CSU's bachelor's and master's degree programs which, as was pointed out above, have a substantial emphasis upon career and workforce preparation. Expansion of these training type activities has the potential to revitalize and continuously improve the degree programs.

The CSU has instructional capacity distributed throughout the state. This capacity includes a vast inventory of instructional facilities and equipment, and 12,000 faculty who are a rich source of expertise related to training and retraining across the range of all disciplines. In addition, the CSU has placed a high priority on expanding applications of electronic technology (including computing, video, multi-media, and electronic networks) to instructional delivery. The technology allows instruction to be offered without regard to time and place. This technology has important implications for adult training. It means that such instruction can be provided at times and places throughout the state to client groups who may be place bound with family care responsibilities, or time bound due to work schedules.

In summary, the CSU believes expansion of its training and retraining activities is consistent with and supportive of our instructional mission. We intend to pursue any and all opportunities in this arena. In doing this we will generally seek to develop cooperative programs with community colleges and other training service providers supported by Federal funds.

School-to-Career and Workforce Preparation.

The CSU is directly involved in several ongoing discussions at the state level related to workforce preparation and school-to-career planning. We participate in the State Job Training Coordinating Council established under state legislation in response to the Federal Job Training Partnership Act (JTPA) and in the Governor's School to Career Task Force. Last fall the CSU Board of Trustees hosted a joint meeting with the Board of Governors of the California Community Colleges to discuss articulation issues and the workforce preparation activities of both institutions. (CSU campuses are involved with community colleges in several cooperative retraining programs and we look forward to doing more.) This December the CSU is jointly sponsoring (with other educational institutions and related state training agencies) a major conference in San Francisco devoted to "The Education of the New California Workforce."

The model that is emerging from these discussions could significantly reduce the need for special adult training and retraining programs. It is suggested that the appropriate educational system is one that recognizes how quickly occupations and skill needs are changing in the modern workforce and therefore provides for several transitions for individuals first from school to work and then later back to school and back to work, etc.

One important factor that must be understood better is the nature of new developments in the labor market. CSU is participating in a new initiative with the State's Economic Development Agency to craft analytic models toward a better understanding and use of current employment data. This intellectual work is a critical contribution which universities can make to improve the ability of every state to forecast where the jobs and the skills they require, are emerging.

Implementation of this model will require close and careful articulation among K-12, the community colleges, universities (including the CSU), and the various other job training providers. Such articulation could be facilitated by the contemplated one-stop job centers including appropriate referral services.

K-12 Reform Efforts

The CSU is keenly aware of perceived problems in the K-12 system and of the importance of its own role in teacher preparation. Successful K-12 reform could also reduce the need for some of the special adult training and retraining programs. The Board of Trustees, the Chancellor and the campus presidents all have a strong commitment to support and assist K-12 in reform.

Specific examples of CSU efforts in this area include:

- The Winter Institute, a two day annual forum sponsored by the CSU to provide an opportunity for leaders in K-12, state government, private industry (including the media and entertainment sectors) and the CSU Deans of Education to exchange ideas and design specific strategies for attacking basic educational problems facing the state.

- The CSU Institute for Education Reform, a systemwide office established on the CSU Sacramento campus, whose mission is to investigate and recommend on matters related to K-12 reform, CSU teacher training, and other related public policy issues in K-12.

Comments on H.R. 511

The CSU urges that H.R. 511 be drafted to recognize universities as important contributors to workforce preparation and to allow them to be designated as service providers (whether such designation takes place at the Federal, state or local level).

The interest of the Federal government in education and training has asserted itself especially in response to particular problems at particular times. As a consequence, H.R. 511 notes the existence of over 150 Federal programs related in one way or another to education, training, or employment assistance. In California the State Job Training Coordinating Council has identified 41 agencies or groups that administer these programs. Whether by design or default, both the federal and state education and training systems are decentralized. While we agree with and support the intent of H.R. 511 and similar recommendations of the State Job Training Coordinating Council to streamline and better coordinate these programs, I would urge that the coordination be structured so as not to lose the advantages of the decentralization that is absolutely essential in order to cope with the vast range of training and education issues that exist in this nation.

These problems are exemplified by the range of education, training, and retraining needs in California: retraining needs for professionals arising from defense industry reductions; community needs related to military base closures; community needs related to declining industries such as fisheries and forest products; education and training needs of the inner cities, in particular, and the state's large urban and suburban areas in general; and finally, the training and educational needs of communities affected by the state's natural disasters including earthquakes, firestorms, mud slides and floods. All of these factors are further effected by the growing diversity of our population.

The needs of these various communities are very different and will best be served by funding that allows the maximum flexibility, with reasonable accountability, at the local level. The CSU urges that the revisions of H.R. 511 make specific provision to allow for substantial autonomy for program design and implementation at the local level.

I want to thank the Members of the Subcommittee for inviting me to testify. I hope what I have presented has provided you examples of the roles that institutions of higher education can play in providing adult training and retraining, upgrading and retooling opportunities. I encourage you to incorporate flexibility into whatever job training reform package you develop, so that the scope of training providers includes institutions of higher education as true partners in the provision of services. I appreciate this chance to share with you our experiences, and welcome any questions you might have.

Chairman. MCKEON. Mr. Cove.

STATEMENT OF PETER COVE, CEO, AMERICA WORKS

Mr. COVE. Thank you, Mr. Chairman and Members of the subcommittee.

First, I would like to say that my company, America Works, is a private for-profit company that takes welfare recipients and places them into jobs in the private sector. My comments, therefore, are going to come and reflect our company's experience over the last 11 years in business, and we are currently in three States and four cities, Albany, New York, New York City, Hartford, Connecticut and Indianapolis, Indiana.

I hope that these comments, however, can be seen to reflect a more general population of disenfranchised workers, not just welfare recipients.

The first comments I'd like to make are these, and I hope they are not heretical, but be as it may. Education and training programs do not work as a first strike strategy to place welfare recipients into jobs. They have been shown principally to fail. Second, government should pay for what it gets. It should only pay for performance, that is, someone getting a job and maintaining that job for some period of time, it should not be paying for programs. And, third, government should stimulate a competitive marketplace to encourage more organizations to act as intermediaries for those who do not have connections into the labor market and when they do get those connections don't have the support. It is that connection and support on the job that is at the heart of a strategy to get disenfranchised workers working again.

Quickly, the context that I give you these recommendations, what they come from. Our company takes people, gives them very little training, four or five, six weeks of training, which, obviously, is not going to turn around anyone completely. We do look for motivated people, people who want to work, and we believe most people on welfare do want to work, and we place them in companies where they are there for a trial period of about four months, during which period of time we give a lot of on-site support, helping with those kinds of issues that may come up during the time a person is moving from unemployment to employment, an abusive mate at home, day care, housing problems, transportation and the like.

We are only paid if we succeed. For those who do not make it, are not hired by companies, and don't stay for a period of time, it varies from State to State but it averages about six months, we are not paid. We believe the way government does business with America Works is more important candidly than the program or the business that America Works runs. We think we have a wonderful program, and all of us like to tout our own programs, but, frankly, I'd like to commend the governments that are doing business with us the way they do business with us because they are getting what they pay for, they are getting retention in jobs, and they are not paying for the failures.

We market to companies our services, and, again, we support tremendously on site the workers.

I mentioned first that employment and training has failed, and why has it failed? For moving people in the main it has failed, there are some good employment and training programs, but in the main it's failed because there are no incentives for it to succeed. Programs are paid whether or not people succeed, they are paid for participation, they are not paid for the end product.

Second, they tend to fail to connect people to the labor market, and that attachment to the work place is terribly critical in moving people from unemployment, or welfare in my case, to employment.

Also, the programs are very costly. I want to cite two studies, one by the State auditor in Massachusetts on the ET program, which is a touted program, and the second in New York City by the comptroller of the jobs program. In Massachusetts, it was found if you looked at retention, that people stay in the job for a period of time, that it ran about $28,000 for 90 days retention per person for the touted ET program. In New York City, $22,000—I'm sorry, $21,000 was the figure for a year of retention. Those are very costly programs, and we feel that government must begin to pay for what it gets, not continue to pay those kinds of dollars for such expensive programs.

Recommendations quickly. The first and obvious one, government should pay for performance, and it should be 100 percent performance. It should not be 30 percent for this and 40 percent for that, it should be if the person gets in a job and stays in the job for a required amount of time, then the vendor gets paid. And, that more people should be put into jobs first programs, that with employment and training having not worked so well we should be supporting people moving into jobs first and then giving them the requisite employment and training to move them up and to move them on to other jobs, and give them the support to stay on the jobs.

With that, I'll end my comments and I'm obviously available for questions.

Chairman. McKEON. Thank you.

[The prepared statement of Mr. Cove follows:]

AMERICA WORKS

PETER COVE

Thank you Congressman McKeon and Members of the Subcommittee for inviting me here to speak to you about a private sector role in providing job training for those who are poor or on welfare.

I want to start by first, telling you about my company and why we have been successful. Second, I will discuss how education and job training programs have failed, in the main, to meet the goals that Government had for them, and third, outline some of the advantages of injecting competition in job training programs. Finally, I will suggest some recommendations for action.

AMERICA WORKS

America works is a for-profit company which was founded by me in 1984. America Works has placed over 5,000 people previously on welfare into jobs. Studies have shown that 83% are still working and off welfare after 12 months. We operate in four cities including New York, Indianapolis, Hartford, and Albany. The elements that make us unique include:

- we are paid only if we get a person working and that person stays on the job
- we market and sell a service to the businesses who hire our candidates
- for a four month period we provide on-site support services after the person is placed in a job.

There is a training component to what we do, but we think the best training a person can get is on the job; learning by doing. Specializing in entry level jobs, depending on the job market, we have successfully placed secretaries, data entry clerks, mail clerks, health care workers, assemblers, inspectors, food service people and more. Companies using our services range from employers such as large insurance firms and banks to small data processing and communications companies.

America Works is partially funded by the States' Welfare Departments, we receive payment only after an employee has satisfactorily filled a permanent, full-time job for four months. Most programs that train and place people or provide social services are, in effect, paid for process. America Works is different. WE ARE PAID ONLY FOR RESULTS. After an applicant has been hired and is working full time, we receive payment from the Government.

America Works is the only 100% performance-based organization that places welfare recipients into jobs. AMERICA WORKS SAVES GOVERNMENT MONEY AND IF WE FAIL, GOVERNMENT PAYS US NOTHING. We invest our private dollars to set up and maintain our business while simultaneously selling our services to area employers who then hire our participants. There is no cost to Government until we place a person on welfare into a job.

EDUCATION AND TRAINING PROGRAMS

We are all concerned with the mounting problems of those excluded from the workplace, in particular the high unemployment rates of young minorities. In response, we believe that work is the ultimate social program and the only way to bring dignity and mainstream values to those who are less advantaged. Yet, we have gone about it in the wrong way during the last several years.

Welfare to work programs for example have generally failed because there is no incentive for them to succeed. Currently, JOBS and JTPA funds have primarily gone to support education and training programs that have failed in many cases because programs are paid for process not outcome. Programs get paid by the number of people who come through the door rather than who got a job, what kind, and how long they kept it. Without 100% performance-based contracting, Government can not be assured they will get a good return on their investment.

In addition, performance-based contracting not only holds organizations accountable, but it also raises the standards of other delivery services associated with it. For example, if America Works does not get referrals in say our Indianapolis office from the county welfare department, then our success rate will drop and we will not get paid by the State. So it more than behooves us to do everything we can to get the county department to comply with its obligation of referrals. It is imperative to our survival. (See attached newspaper articles.)

Another reason education and training programs have poor results is because they fail to connect people to jobs. These programs often provide training, but do not give their customers what they want; a job. Or if there is a job attached, it is often a public sector job that is short term and costly to the taxpayer. Thus the success rate is low, and the costs are high.

Two examples of ineffective job training programs are the JTPA Program in New York City and the Education and Training (ET) Program in Massachusetts. When retention is factored in, the costs of these training programs are four to six times the expense of America Works and the success rates are often 60% to 70% lower.

The Comptroller of New York City found the JTPA job training program had a success rate of 12% of participants placed in jobs that lasted 90 days and concluded that it cost $21,000 for each successful placement. He found that the city was paying more than it cost to attend some four year colleges. Similarly the State Auditor of Massachusetts surmised that the ET program neither saved money nor removed people from welfare. The true cost per participant who did retained a job for one year was close to $29,000.

So not only are states not getting a return on their investments in job training programs, but there is another problem; they are also prohibited by federal regulations to encourage performance-based contractors to apply for JTPA funds.

An illustration of this is our recent dilemma with the Department of Employment in New York City. The Commissioner wanted to use America Works to place people who are on welfare into jobs and pay for it with JTPA funds, but was restricted under the regulations to develop the same type of performance-based contract with us that the Department of Social Services has.

To make a long story short, the U.S. Department of Labor has made it unreasonable for for-profit performance-based companies to contract in the states because these organizations are asked to take a huge risk by investing funds up front, but are severly limited by the amount of profitability that may be generated.

INJECT COMPETITION

As I have said, the important lessons we have learned during the last decade of business are that, education and training programs do not work as a first strike strategy to place welfare recipients into jobs, public jobs do not lead to welfare reduction, and if Government does not pay for performance, they will not have high success rates. Yet, another lesson we have learned is that Government should stimulate a competitive marketplace to encouraging more organizations to compete in the effort to act as intermediaries for those who do not have the connection into the labor market.

We know that the jobs are there. However, when it comes to welfare to work training programs - there is no incentive for them to succeed or for real competition among service providers who deliver services to connect people to those jobs.

America Works has found a niche and is a winner for all involved because the Government gets a guarantee on their investment, welfare recipients land jobs, and we make a profit. Certainly we take a risk by investing our private funds into setting up a business, but we also have an incentive to earn a fair profit if we succeed. And I must say, we are the best at what we do, although being number one in a field of one suggests there is a very limited marketplace supported by Government.

The niche we have found should be expanded with market incentives to ecourage others to do what we do. You will then begin to shift the burden from Government to the private sector to find people jobs. If not you will continue to have the overall failures you have had.

RECOMMENDATIONS

My first recommendation is to encourage this committee to draft legislation to create opportunity for successful entrepreneurial organizations to compete to place welfare recipients and other under employed groups in jobs. By developing a market for intermediary organizations to both connect people in jobs and provide intense on-site job support will ensure success while simultaneously shifting the risk from employers to these intermediary placement organizations.

My second recommendation would be to ensure that training funds are attached to 100% performance-based contracts. The policy

BEST COPY AVAILABLE

benefit of using a performance-based model like America Works is that Government gets what it pays for; outcome not process. In the long run, there will be a cheaper investment for Government.

Third, turn to the private sector before creating a large public works project. Organizations like mine use our own private funds to for financing and only place our candidates in private sector jobs, thus investing private sector funds into the solution of getting people off welfare

Fourth, emphasize the importance of finding and supporting people in jobs first and then provide education and training opportunities. According to the Manpower Demonstration Research Corporation (MDRC) Director, Judy Gueron, programs that combined "a strong employment focus with a controlled use of education and training, showed that it is possible to change the character of welfare." So, use education and training as a reward for getting a job. Once a person is working, let that person or the company qualify for a voucher to upgrade skills either in a school or at the job site.

Fifth, let states reinvest savings from getting a person off public assistance into more efforts to get others off the public dole.

Finally, encourage the Department of Labor to provide waivers to states and cities using JTPA funds to make exceptions on the way they inhibit 100% performance-based contractors who want to do business with them.

SUMMARY POINT

To increase the earnings of workers, reduce welfare dependency, and move people out of poverty, design legislation that grow the number of programs that stress attachment to the labor market over up front education and training.

City axes one-third of its job trainers

[illegible]

As the great Singapore 747
cruised through the starry
skies on its daily voyage
from New York to Singapore
she brought me a
pair of eyeshades and
an extra pillow for
a restful flight
[illegible] forgotten
the little things
NON-SMOKING SERVICE DAILY FROM NEW YORK TO SINGAPORE VIA AMSTERDAM OR FRANKFURT
SINGAPORE AIRLINES

Crain's lists are on disk

[illegible]

BEST COPY AVAILABLE

Indianapolis Business Journal
March 6 - 12, 1995

Welfare-to-work firms thrive on competition

More than 30 have state contracts

By Jeff Newman
IBJ Reporter

The competitive environment that Indianapolis Mayor Steve Goldsmith must have imagined when he recruited America Works to the city in 1993 is beginning to materialize for local organizations with welfare-to-work programs.

Although America Works has grabbed the lion's share of attention, other organizations are making their presence felt in central Indiana by getting people off the dole and into jobs.

Goodwill Industries' FutureWorks, The Training Institute (TTI) and the Indianapolis Network for Employment and Training (INET) join America Works as major players taking advantage of Indiana's recent move to a pay-for-performance policy regarding welfare reform.

All four organizations have contracts with the Indiana Division of Family and Children (formerly the Department of Welfare) that pay up only when they move people from public assistance to employment.

Shortly after Goldsmith got Indiana Gov. Evan Bayh involved in recruiting America Works to Indianapolis in early 1993, the state adopted a pay-for-performance philosophy regarding employment.

"Our stepping into the market really forced people to look at the outcome rather than just the process," said Lee Bowes, chief executive officer of New York-based America Works. "Once we decided to come in, the state really looked at the way it had been providing employment services and the results it was getting."

Starting in July 1993, the state began issuing pay-for-performance contracts to programs that provide employment training and job placement for people on public assistance.

Now, there are more than 30 providers in Indiana who have contracts with the state to perform welfare-to-work services, according to Carlis Williams, deputy director of the Division of Family and Children. Some also receive local and federal funding in addition to their state contracts.

Contracts with the state vary in fee structure and other details, but almost all ensure that the jobs pay at least $220 a week ($5.50 an hour) and include health benefits. Full payment isn't issued until welfare recipients hold jobs for six months.

Locally, these programs are being embraced by the city, which helps fund America Works, TTI and INET.

About 15,000 families in Marion County receive Aid for Families with Dependent Children, according to Mary Kapur, Goldsmith's social policy adviser. Each welfare recipient costs taxpayers an average of more than $13,000 a year for AFDC, food stamp and Medicaid coverage, Kapur said, significantly more money than the $5,000 or less that placement organizations receive for every person they place in a private-sector job.

"It's the mayor's belief that it's very good to have many competing organizations," Kapur said. "Through that, we will get the right blend of providers at the right price.

"It's also important to remember that this is not a one-size-fits-all problem, so it is very helpful to have several different types of models involved in solving this problem."

Bill Stephan, director of Indianapolis' Workforce Development Division, said other national organizations have phoned him with an interest in bringing similar businesses to central Indiana.

"I think the mind-set right now is that there's a big pie out there for these kinds of organizations," Stephan said. "I think you're going to see more and more opportunities for them to enter this market. And there's nothing wrong with interjecting more competition into the mix."

The following is a rundown of the major players.

■ America Works, under a contract with the state and city, receives $5,000 for every person it moves from welfare to employment for more than six months.

America Works recently had its contract renewed for another year after placing more than 100 AFDC recipients in jobs in its first year. Plans call for that number to double over the next year.

"Our official goal for this office is 200, but my personal goal is substantially more than that," said Patrick Jackson, director of local operations for America Works.

America Works accepts only applicants who receive AFDC, while other organizations also accept people who receive only food stamps. AFDC recipients usually are single mothers with children and are usually more difficult to place than people who receive only food stamps.

"Typically, people who are only receiving food stamps have a more recent attachment to the work force," said Williams. "It's usually easier for them to make that transition back into work."

■ Goodwill Industries of Central Indiana, a not-for-profit agency, landed its first state contract for its FutureWorks program 18 months ago. Since then, it has placed 227 workers who will earn an estimated $2.1 million in their first year of employment.

The program was a natural extension for Goodwill, according to its local president, James M. McClelland.

"We have been providing vocational services for a lot of years," McClelland said. "We've developed a lot of expertise in this area, and we've built a very large employer base in Indiana over that time. We could place a lot more workers without adding any significant overhead. That's an advantage we have."

■ TTI, a company founded in Chicago 12 years ago, opened a branch in Indianapolis last July. The firm is funded mostly by a federal grant from the Department of Housing and Urban Development. The grant requires that TTI work only with residents of the Indianapolis Urban Enterprise Zone, on the near-northeast side.

Since opening here, TTI has placed 77 welfare or food stamp recipients in jobs paying an average of $7.12 an hour. Its current contract allows it to place up to 110 people in jobs (75 percent must be receiving AFDC), for which a combination of government funds pays $4,200 per successful placement.

Along with Goodwill, TTI also operates the Youth's Fair Chance program, a job training center for people age 13 to 30 who live in the enterprise zone.

Rich Reader, TTI's local vice president of operations, said the company would like to expand its operations outside the enterprise zone.

■ INET, a public- and privately funded not-for-profit, offers employment training and placement services to any citizen who requests them. Last year, the 12-year-old agency found employment for just under 10,000 applicants, a majority of whom were not welfare recipients.

The agency also has been successful in its latest welfare-to-work contract with the state. Between July 4, 1994, and Jan. 30, 1995, INET placed 133 food stamp recipients in jobs averaging $7.24 an hour and

WELFARE

Continued from page 4A

127 AFDC recipients in jobs averaging $6.91. The contract, which expires this July, will pay INET to place up to 625 workers at a cost to the government of $4,400 per job.

As welfare reform is debated across the country, those involved in welfare-to-work programs can see only growth for their organizations, especially if welfare recipients are given some type of mandate to find employment.

"When you have almost zero unemployment—which you do in the Indianapolis area—and you have a growing population receiving public assistance, then something is fundamentally wrong," America Works' Bowen said. "Something must be done to bring people back into the work force."

"We have far more requests for workers than we can fill right now, but that, we trust, will be affected by legislation," said McClelland of Goodwill. "A lot more people could benefit from these types of services if they would pursue them."

Even without mandates, the welfare debate is already having an effect. "There is a positive component to letting people know that welfare is a transition and not a permanent way of life," America Works' Jackson said. "I already see that realization with many of my candidates; they know that reform is coming."

STATEMENT OF JOSE PEREZ, EXECUTIVE DIRECTOR, SER–JOBS FOR PROGRESS, INC.

Mr. **PEREZ**. Mr. Chairman, Members of the committee, and, Mr. Green, thank you for those remarks and introduction, and thank you for the opportunity to address you this morning.

SER–Jobs for Progress of the Texas Gulf Coast is a non-profit organization. We have been in existence for some 30 years, providing education, vocational training and employment services to economically disadvantaged citizens living in Houston and 13 surrounding counties.

Nationwide, SER–Jobs for Progress now operates 131 programs in 95 cities throughout the United States and the Commonwealth of Puerto Rico.

I would like to share some thoughts and ideas relative to the proposed change in funding for programs dealing with training and employment through block grants to the States. We think that block grants could present an opportunity for consolidation of the multitude of programs currently being implemented through different government agencies. Considerable savings in government funds could result from this consolidation. There is no doubt that there exists a tremendous amount of duplication in government training and employment programs.

Block grants, however, we think should include stipulations to make sure that the people in need get the services that will help them become self-sustaining members of our society. Among these are the following. We think that funds should be earmarked as a percentage of the total block grant for training and employment services. We think that a system must be put into place that ensures stability and continuity. This would minimize changes to programs as State administrations change from year to year.

Bonds for training and employment services are needed by the general population as well as by the disadvantaged. It is necessary that funding for the disadvantaged, the at-risk participant, is further earmarked to ensure that people who have barriers to employment also have access to the system.

Additional resources must be made available for the disadvantaged population because in most cases they do not have the work ethic, the life skills necessary to be productive in a work place environment. This means that funds must also be made available to provide for life skills counseling for this part of the population.

There is a tremendous need for local control. We have heard this in the past, and through Private Industry Councils or successor organizations such as work force development boards or work force investment boards.

There must be a national standardization, however, of program criteria, procurement and measurement systems, so as to have unified employment training programs. There has to be a system of outcomes that comes with the standardization.

While the need for local control is important, at the same time this national standardization is of utmost importance.

Throughout the country a network of community-based organizations has been very effectively providing services to the disadvantaged community. The reasons that they have been effective are that they are located in the community, they are well aware of the needs and problems of participants. In addition, the community-based organization provides very necessary support services which include developing life skills, a positive attitude, personal goals, and other services which other institutions do not provide.

Community-based organizations have established credibility with the participants. It follows that if States know what States need, CBOs know the needs of the community that they serve. Therefore, it is suggested that organizations that have the experience in serving participants be used to provide services under block grants, that those organizations that have been providing these kind of services also have the opportunity to compete for those services.

Over the past year at SER-Houston, we have had a client retention rate of 97 percent in our training programs at our business training center and our correctional officer program. The approach of the community-based organization is a holistic approach, as opposed to focusing only on meeting academic standards.

The counseling and support services are needed to help people through the transition from welfare and unemployment to the world of training and employment.

Most non-profit organizations count on extensive private sector involvement, volunteers from Corporate America regularly give of their time and energy as role models and tutors for our participants. Their input should be expanded to make sure that industry has a vested interest in the entire process. In cooperation with Corporate America, we can have a system that is more relevant to developing the work force of the future.

Thank you very much for the opportunity to address the committee this morning, and we'll be able to answer any questions.

Chairman. McKEON. Thank you.

[The prepared statement of Mr. Perez follows:]

TESTIMONIAL BY
Jose R. Perez
SER-Jobs for Progress of the Texas Gulf Coast, Inc.

INTRODUCTION

What is SER?

SER-Jobs for Progress of the Texas Gulf Coast, Inc., is a non-profit organization under 501(c)(3) of the Internal Revenue Service Code. It provides education, vocational training and employment services to economically disadvantaged citizens living in Houston and thirteen surrounding counties.

SER was founded in 1965 by the League of United Latin American Citizens and the American GI Forum and began as a volunteer job bank for Hispanics. *Ser* is the Spanish word for "individual" or "being." It has also become an acronym which defines the organization's mission: Service, Employment and Redevelopment.

Nationwide, SER-Jobs for Progress now operates 131 programs in 95 cities throughout the United States and the Commonwealth of Puerto Rico.

I would like to share some thoughts and ideas relative to the proposed change in funding for programs dealing with training and employment through block grants to the states. I think that block grants could present an opportunity for consolidation of the multitude of programs currently being implemented through different government agencies.

There is no doubt that there exists a tremendous amount of duplication in government programs.

Block grants, however, should include stipulations to make sure that the people in need get the services that will help them become self-sustaining members of society. Among these are the following:

1. Funds should be earmarked as a percentage of the total block grant for training and employment services. A system must be put into place to insure stability and continuity. This would minimize changes to the programs as state administrations change from year to year.

2. Funds for training and employment services are needed by the general population as well as by the disadvantaged. It is necessary that funding for the disadvantaged is further earmarked to insure that people who have barriers to employment also have access to the system. Additional resources must be made available for the disadvantaged population because in most cases they do not have the work ethic and life skills necessary to be productive in a workplace environment. This means that funds must also be made available to provide for life skills counseling for this part of the population.

3. There is a need for local control through private industry councils or successor organizations such as workforce development investment boards.

4. There must be a national standardization of procurement and measurement systems so as to have unified employment training programs. While the need for local control is important, at the same time, some standardization is needed.

Throughout the country, a network of community based organizations has been very effectively providing services to the disadvantaged community. The reasons why they are so effective are:

1. Since they are located in the community, they are well aware of the needs and problems of participants in the area. In addition, the community based organization provides very necessary support services which include developing life skills, a positive attitude, personal goals and other services which other institutions do not provide.

2. Community based organizations have established credibility with the participants. It follows that if states know what states need, CBOs know what CBOs and their clients need. Therefore, it is suggested that organizations that have the experience in serving participants be used to provide services under the block grants.

Over the past year at SER-Houston, we have had a client retention rate of 97% in our training programs at the Business Training Center and Correctional Officers Program. The approach of the community based organization is a holistic approach, as opposed to focusing only on meeting academic standards.

Most non-profit organizations count on extensive private sector involvement. Volunteers from corporate America regularly give of their time and energy as role models and tutors for our participants. Their input should be expanded to make sure that industry has a vested interest in the entire process. In cooperation with corporate America, we can have a system that is more relevant to developing the workforce of the future.

Chairman McKEON. Mr. Gunderson.

Mr. GUNDERSON. Well, thank you, Mr. Chairman.

Let me get to my general questions, but first, Mr. Cove, do you seem to suggest in your testimony that we ought to be providing subsidies in the private sector for work before we do training, that we ought to be doing public work training, or that we ought to be doing more school-to-work, what do you say—what do you mean when you say we ought to be focusing more on the work place and the training to follow?

Mr. COVE. I was thinking less of the context of where it was going to be done and more of just the policy. I believe that work first makes the most sense for most people who are disenfranchised and outside the labor market.

Attachment to the labor force is critical. When I walk into our classroom, we have about 30 people that start each week, all are women on welfare, mostly women on welfare. And, I ask them, how many of you have been in training programs before. About two thirds of them every week raise their hand, and they've been in many, many training programs, not just one.

The problem is not the education and training, the problem is the attachment to the labor market. And, as we've gone forward people have become more and more disenfranchised from the labor market. So, what I'm suggesting is that whatever programs are funded, that encouragement needs to be given to attachment to the labor market rather than—and then education and training, rather than a lot of up-front education and training.

As for where it should be done, my own preference is, obviously, I have a private for-profit company, I believe there is a role for the private sector. I haven't heard—all I've heard in testimony so far today, the role of the private sector is to hire people, I see the role of the private sector as well helping to support and operate some of these programs.

Mr. GUNDERSON. But, let me take this to the next step.

Mr. COVE. Please.

Mr. GUNDERSON. Because the problem is where do we go with that kind of funding. We've had the targeted jobs tax credit, which most people say does not work because, very frankly, most businesses were going to hire those people anyway.

Mr. COVE. That's right.

Mr. GUNDERSON. We have public service employment, which most people say doesn't work because it's dead-end jobs without any training for permanent employment.

What are you suggesting? I mean, what else is there in terms of this work side that you want us to fund at a time of deficit reduction?

Mr. COVE. Sure. Here's what I would suggest. When we go to governments, when we come to New York, or Connecticut, or Mayor Goldsmith in Indianapolis, we basically say, what is it costing you to maintain a person on welfare, and what's it worth to get them off? It's a very interesting calculation. I want you to apply it to other things that you are going to be looking at.

A figure is set. In the case of Indianapolis, it's $5,000, paid to us if the person is placed in a job and off of welfare for six months.

If the government were to develop a marketplace where it said, let's use the figure $5,000 for one moment, just for argument sake, we will allow anyone to come to the table, not-for-profits, colleges, for profits, whoever is interested, and tell us how they'd like to take people who are not working and get them working. If it be an education and training program, so be it. If it be a not-for-profit, so be it, but only pay the $5,000 if the person is working and is working for a period of time, in our case, off welfare and working.

What it is, is basically it's a business model, and I think an appropriate business model for government, in which you set a price, you say it's worth it. It's certainly not worth the $28,000 in Massachusetts to get a person off of welfare, but maybe it's worth $5,000 to get a person off of welfare or a person working, and say we are going to put that out there. And, anyone can come to the table. That will bring competitors for America Works, which is fine with me, and it will bring others at this table and around the country to that funding stream in a way that you've never seen before. It will say, don't pay us for our program, pay us for our production, and it can—you don't have to decide where the money is going to go, candidly, you are going to have to decide who is going to administer it, but you don't have to decide who is going to get the money. It seems to me who gets the money is who ends up producing, and to me that's the critical issue.

Mr. GUNDERSON. I'd like to pursue this, but I want to ask the educational folks at this table, you heard my questions to the last panel regarding what the likely tension is between the SDAs, the Private Industry Councils on the one hand and the postsecondary education community on the other. How comfortable would you all feel if we block grant this money and we send it down through a local service delivery area directed by a Private Industry Council and you contracted with that Private Industry Council for any funds in this particular area?

Mr. GALLEGO. Let me respond, if I may. In the San Diego area, we have an excellent working relationship with a local Private Industry Council. In fact, we've opened a total of six one-stop career centers. I think we opened the first one in the Nation a little over three years ago. So, the working relationship is a good one.

However, we also need to—I would be uncomfortable simply because I don't think that we have explored the best solutions to be able to deliver the best instructional programs, or training programs, through a block grant allocated to the local SDA. The concern I would have is that we need to take advantage of what community colleges across the country can do. We are already established as institutions with the facilities, with the equipment, with the overhead, with the administration, classrooms, and we are able to—we should be able to leverage the resources so that we can deliver more instruction to more people.

I think what is important in maintaining excellent relationships with the SDAs is to create a regional training program that is linked, the classroom is linked with the job market, and I think this is where we would be able to best arrive at a process that is workable.

Again, you know, I think it's not a matter of who gets the resource, but I think it's a matter of how that resource is best expended, and until, I think, the education community is convinced that a Private Industry Council could do it much better I would say that, you know, that needs to be explored.

Mr. GUNDERSON. Anybody else on that? My time is up, but go ahead.

Mr. EVANS. I'd like to just echo the comments of Mr. Gallego. The relationship between the universities, the four-year institutions in California and the PICs is quite good. In fact, many of our presidents are actually on them.

But, I think that until we know quite how this thing will go together in terms of operations, I would like to throw my lot in with Mr. Gallego.

Mr. GUNDERSON. Thank you.

Mr. PEREZ. If I may just add a comment to that, because I think that this great country of our's was founded on competition, who can provide the best service in the most efficient way, quality-wise, quantity-wise, and that the system of competitiveness should exist to allow any other organization or any organization who can provide the services have equal opportunity.

Mr. GUNDERSON. Thank you, Mr. Chairman.

Chairman MCKEON. Thank you.

Mr. Green.

Mr. GREEN. Thank you, Mr. Chairman, and let me just throw out a general question in following up on Congressman Gunderson.

We see a lot of cooperation, as, Mr. Evans, you said that a lot of the members serve on the Private Industry Council, and we see that there's no requirement now that that happen, it's just because people in the local community said if we're going to do it and work together we all have to do it.

Do you think we should move toward maybe if we do a block grant then say, okay, these are the participants you have to have. You have to have, you know, the PICs, you have to have the community colleges or an educational postsecondary element, you have to have the State Employment Commission or the State Employment Agency, and set some guidelines on how we would have it and build on success that we've already seen, obviously, in San Diego and I guess in California just generally.

Let me ask some specific questions. Mr. Cove, I guess as an entrepreneur and a for-profit company, and you said that two thirds of the people who you see in your program have been through some type of training, do you have any selection process, or can you just share with us as brief as possible how—because obviously if you are getting two thirds of those people who have raised their hand, and they've been through it through some other system before.

Mr. COVE. It's really a self-selecting process. We never say no to anyone that comes to our company. We do set up hoops for them to jump through, and they basically are hoops regarding motivation. What we are interested to see is that we have a motivated person, someone who wants to work. The skill level is not the critical criteria for us, we can place people with no skills, we can place people with lots of skills.

What I mean by motivation and hoops are, for instance, the first week during a preemployment class, if they are one minute late, one minute late, and New York subways aren't always on time, they are asked to start again, and they do. Most of them will start again, because they are motivated.

What we are doing is trying to prepare them for the demands and rigors of the workplace, and we put a lot of demands and pressure on them, but we do not ever say no to them. They can always come back. So, it's basically a self-motivated work force.

Mr. GREEN. Okay, so there's no real preselection, like you said, it's self-selection.

Mr. COVE. It is a self-selecting process, yes.

Mr. GREEN. Great.

Mr. Perez, let me—I know we talk about and we've heard testimony this morning in the earlier panel and this panel about private sector involvement, and I know just because personally the effort in Project-SER in Houston, and in the effort, and I guess when you see the changes, because you've been with SER since 1988, and JTPA has been, you know, the umbrella agency I guess or the program, but the encouragement that JTPA has for private sector initiatives compared to maybe CEDA before and which you heard about, because I think that's one of the great benefits of what we see now in our current system, we have more private sector involvement because they are the ones actually typically going to hire those people that you are training and other people are training.

Mr. PEREZ. Right, there definitely has to be a linkage between the people providing the training and the industry that's hiring the work force.

We invite them in as amigos of an organization. They help us with mock interviews. They help us looking at criteria. Every so often they look at the criteria of our training programs to make sure that they meet the demands of the work force, so we work very closely with them.

As a result of that, within the first 30 days after graduation of our programs, 80 percent of our people are hired, they are employed, and then we follow up for up to 180 days after placement to make sure that there are no problems with the employment. We counsel them, and that has given us a tremendous retention rate.

But, the linkage between industry and the service provider is a very, very important linkage.

Mr. GREEN. Okay.

Let me ask each of you as brief as possible, and I know block grants, and we've heard from lots of governors who want to just block grant the programs back to the States, if each of you briefly could share your concerns, or support, or feelings about just block granting job training back to the governor's office and let the States be able to do it.

Mr. GALLEGO. Well, let me respond by saying this, that block grants, as have been identified, the four block grants, I would not have any problem in allocating resources in that way, but why to the States—why not directly to the providers.

Our district, for example, or any large university or community college district, is no stranger to contracting directly with the Department of Defense, with the Department of Labor, for large sums of money, $30, $40, $55 million or so, so it seems to me that the local entity should be able to develop the program, make the application and based on whatever criteria or standards are required by the funding agency we would respond to that and contract directly with the provider, much like we do with financial aid, the Title IV campus-based programs, $10, $15, $20 million come directly to the district.

So, it seems to me that we could avoid an additional bureaucracy, and that's the State.

Mr. **EVANS**. I'm going to duck your direct question about a block grant, because I don't understand the total ramification of doing so to the government. But, I would like to pick up, sir, on your earlier question about general guidelines about how we do this in the States.

I think we heard in the earlier testimony the need for flexibility between States. I think it's also imperative that we have enormous flexibility and as much flexibility as we can within the States. There isn't one answer to this question, there are many to many questions, and the more flexibility you provide in your legislation the easier it will be to resolve some of the problems.

Mr. **COVE**. I'd like to second the comments of support. I think it's a good idea, the block grant idea. I think it would allow for flexibility at the local level. I can tell you that there is very little flexibility within JTPA to allow my model to work. In fact, as far as I can tell we can't get JTPA funds.

I would like to see much more flexibility at the local level, and I think that block grants would bring that forward.

Mr. **PEREZ**. Yes, one of my great concerns would be that we would have to start with a new system from scratch and that would be a total disaster. We could keep as much of the good things that already on ongoing, the good programs, the good process and procedures, that would certainly do something tremendous in continuing the good processes, the good programs that we already have.

Mr. **GREEN**. Thank you, Mr. Chairman. I thank each of the panel.

Chairman **MCKEON**. Thank you.

Mr. Souder.

Mr. **SOUDER**. Sorry I missed the first part of the hearing. We're always running around in every which direction.

I visited Mr. Cove's program in New York City about, it must have been about three years ago, and spent a half a day there, and I have to say it was more amazing looking at it first hand and talking to the individual case workers, the placement people, sitting in the training classes than it is to hear about it as I had heard at a hearing before and read about it in the newspapers or on television, because it's many of the individuals who are motivated to succeed that makes that program so much different than a lot of the other programs.

I'm kind of curious what kind of—I mean, one kind of complaint you hear sometimes is, is that, well, you get them placed in an entry-level job, do they move up, and are you seeing some signs of that in your older programs like New York?

Mr. **COVE**. Yes, yes, we are. About a third of the people during the first year get promotions, and what New York State has found, just for your interest, and thank you, Mr. Souder, we enjoyed your coming there and your comments, what New York State has found in auditing America Works is that 82 percent of the people are still off of welfare working after a year's period of time, an average of five years on welfare before coming to us.

The people are beginning to move up. The people are sticking in jobs. I do wish we had some of the JTPA or other jobs moneys to get onto the job, either as vouchers to the worker or to the company to assist in upgrading those workers or moving them on to other jobs. We'd have much more advancement.

But, even so, people are advancing, and we are very happy for that

Mr. **SOUDER.** You said it's a self-selection process and that people are motivated. What percentage do you see of the kind of total potential market that is self-motivated? In other words, do we need several tiers of types of programs?

Mr. **COVE.** For us, we would say about two thirds of the people on welfare can work and will work. About a third of that group will probably get jobs on their own, although even though 70 percent of welfare recipients get jobs within two years, most of them lose those jobs. That tier, the tier that gets jobs on their own, is going to need some support at the job, be helpful, but it would not be very expensive.

There's the other group which we work with, we believe we work with, which is about a third of the welfare population, which is a group that really is not going to get into the primary labor market, is not going to get a job that's going to be able to pay enough so that they can stay off welfare. And, for that group, that one third, I think some heavy intervention in connecting them with the labor market and providing support once they are in there is very important. And then, you are going to have 20 percent to a third that at any one time are just not going to be able to get into—get working.

Mr. **SOUDER.** One of the things that I've long complained about is that the net package, as many employers did in the private sector and still do, that the net package of benefits on welfare, when you add in child care, housing, health care, AFDC, food stamps, WIC, is so much greater than minimum wage it's tough to motivate. And, we'd be better off reducing that net package from around $15,000 to down towards minimum wage using those dollars to help those who are starting into the process with their child care, with their transportation. It seemed to me the day I was there, one of the crises that your people were trying to deal with is somebody can't get transportation to work, their child care, they lose their child care, and that our whole orientation is towards those who aren't working, rather than trying to facilitate those who are making the effort.

How much of that do you see at that margin in self-motivating, people keeping in there, that either, [A] the benefits are high enough that they just aren't motivated enough, or [B] that they don't have enough assets once they start and they fall back out of the system.

Mr. **COVE.** If you exclude Medicaid, which is a very big if, that is, if the medical benefit is not an issue to the individual, we only place people in companies that have benefits, but that does reduce the number of companies we can put people in, if you take Medicaid out, then the benefits are not the major issue. It's really, people really do want to work. Most people want to work, and really motivation is a function of opportunity. If people see the opportunity, most people are going to want to work.

However, that Medicaid benefit, the loss of it, is the major deterrent to moving people from welfare into work, and so, I would say that really then begins to speak to national health coverage and those kind—or extension of Medicaid benefits for two, or three or four years while people move into the work force.

The others are not the major issue.

Mr. SOUDER. Thank you very much for your leadership in this area. I know Mayor Goldsmith has been pioneering, and Governor Cuomo was really the one who helped you in New York. It's not necessarily a partisan issue, but you have really been at the pioneering end of privatization of social services.

Mr. COVE. Thank you, sir.

Chairman MCKEON. Thank you.

Mr. Roemer.

Mr. ROEMER. Yes, thank you, Mr. Chairman.

I'd like to continue to ask Mr. Cove some questions. I, too, have visited one of his facilities, and have been to the one in Indianapolis with Governor Bye last spring. And, I have never been, you know, more impressed by people's ability to tell us very, very frankly and honestly what their problems were. And, you hit them right—you know, you hit the nail on the head with your answer just a minute ago to Mr. Souder's question, when we ask these people what's the single, biggest impediment to you going into the workplace, they said one was child care and Medicaid together. They said that when they are faced with the choice of, do we drop our two children off of Medicaid and go to a job where there is no health care coverage it's an easy choice, even though we want to work.

I'd like you to expand a little bit more on your answer there. How do we solve this very, very vexing question?

Mr. COVE. Well, I hinted at that before. I think extension of Medicaid as a transitional benefit for a period longer than a year would make a significant difference in the ability to move large numbers of people who are not working and on welfare into jobs.

About something like 70 percent of the job orders that we get in our four companies we cannot fill because they do not have health benefits. Just think of what that means, as more and more companies have fewer and fewer health benefits, that means there are—and, we have Medicaid as a support for people who are on welfare, we are really in a terrible bind. I would suggest some form of extension of Medicaid.

Mr. ROEMER. We just helped Governor Bye get waivers to extend Medicaid to people working. Do you think that that will have any impact on your program?

Mr. COVE. Yes, it will.

Mr. ROEMER. And, how do you plan, what kind of results might you see in the next year or two.

Mr. COVE. No. We think that will have tremendous impact on what we do, and we would—what it really means is we'd be able to handle many more numbers, particularly, given the good economy of Indianapolis, we'd be able to handle vast numbers. We are right now only doing 100 per year, which to me is just a pittance. We would like to be able to do much more. We only get paid for each person we place and there's a cap on that right now.

I'd like to make one other comment.

Mr. ROEMER. Are you limited to 100?

Mr. COVE. Yes, we are, indeed.

Mr. ROEMER. Okay.

Mr. COVE. Yes. We would ——

Mr. ROEMER. Because I noticed in some of the competing industry or placement facilities in Indianapolis, like Goodwill and TTI and MNet, they have placed, I think Goodwill was 227 workers in 18 months, MNet was 133, although they only take—they take food stamp recipients as well, you think that you could significantly do above the 100. How do you feel like you compete with these other firms? They seem to be doing a pretty good job in filling an important edge.

Mr. COVE. They are, interesting enough, in my testimony you'll have copies of the Indianapolis Business Journal's article regarding America Works and the groups you just mentioned. What the article points out is that because of the injection of competition by America Works, by Mayor Goldsmith bringing us in and having a performance-based contractor, they've now—the city is now putting all of their contractors on performance-based contracts.

And, this is making a significant difference. We are delighted by that, and they weren't very happy about us coming in, I should tell you. I think they are happy now, because we've really expanded the pie for them, and we seem to have very cordial and good relationship.

But, what the city has got out of that are contractors who now are being paid for performance rather than for their programs.

Mr. ROEMER. Now, do you only take applicants who receive AFDC?

Mr. COVE. That's right, that's what our contract is for.

Mr. ROEMER. Do you see that changing at all?

Mr. COVE. We would love to, if we could find another source and stream of people and funding to go along with that. We have done, our company has done, in the past people who were mentally retarded, people who were physically disabled, and drop-out youth, we really would like to get at the minority male, which we've never really been able to get at because the funding just isn't there to do that.

Mr. ROEMER. Last question. You have facilities in New York, Indianapolis, Hartford and Albany, do you do anything drastically differently in, for instance——

Mr. COVE. No.

Mr. ROEMER. [continuing] New York, as opposed to Indianapolis?

Mr. COVE. No, we don't. It's really interesting, obviously, the jobs we fill do differ somewhat from economy to economy, but the way we operate the program is essentially the same. If you went into any of our four companies, you'd see basically the same mode of operation.

Mr. ROEMER. Even with different economies?

Mr. COVE. Even with different economies, that's right. We have a sales force, and the sales force in one city will be skewed to selling to a certain kind of industry, and the sales force in another city skewed to another kind of industry, but they sell the same service.

Mr. ROEMER. Thank you, Mr. Chairman.

Chairman MCKEON. Thank you.

I think your testimony has captivated our interest. The sales force, these are the people on welfare?

Mr. COVE. No. We have a professional sales force that—if you went into a temporary agency or a permanent placement agency, it would look pretty much the same.

Chairman MCKEON. Your sales force is out selling a service, your product, which is the people that are on welfare that you are trying to get into employment.

Mr. COVE. That's right.

Chairman. MCKEON. Can you just kind of walk me through this? You go and you get a contract with the city, and they say you can take anyone that wants to come in that is on AFDC.

Mr. COVE. Right.

Chairman MCKEON. Then, they come in and meet with you, say, on a Monday morning.

Mr. COVE. Right.

Chairman MCKEON. How does that—how soon do you get them into a job?

Mr. COVE. The average is about five weeks. They spend about a week in preemployment, where they learn world of work skills, most programs do this, it's counseling, it's how you take an interview, how you fill out a resume, how you dress, that kind of thing. I think we do it well, but most programs do it. That's a week.

Then, they have about five weeks of what we call business laboratory, where we have computers and they can be upgraded if they have keyboard skills, and then we have some other training programs, but they are really pretty minor, what you can do in five weeks.

During that period of time, our sales force is out selling to companies. Let's say a company has a receptionist that they wish to replace, we will send over three people for them to interview. These are people who have gone through, or are in the various training aspects that we have up front. They will interview them, and if they like the person, one of them, they will go to work for them almost as a temporary. We pay the worker, we pay the welfare recipient, and they also maintain welfare benefits during that period of time. The company pays us at a reduced rate, so they save a little bit of money during that period of time, and they get a chance to see the person for four months, and not put them on their benefit package, and not have to worry about terminating them if, perhaps, the person isn't going to work out.

During that period of time, while they are on our payroll, and the company is paying us, we then provide on-site support. We have people we call corporate representatives, they go to the work site every week, they work with the line management at the company, they work with the worker, to make sure things are going well.

If there are problems outside of the work place, we go in and intervene, as long as the worker is a good worker. If there are problems at the work place, the person doesn't know how to take supervision, isn't learning the job well enough, we go in and work with the worker and the line management.

After four months, if the person is hired by the company, the company says, well, Susie has come in every day, we really like her, she fits into the company, then at that point when they hire her, our contracts differ from State to State, in Indianapolis we actually get paid at the end of six months for having done that, in New York we get about two thirds of the money at that point, and the other third three months thereafter, but, essentially, it's around six months if the person is still in a job, we've earned the money that we've negotiated with the municipality.

Chairman McKEON. At that point, you have no more to do with that person, you don't——

Mr. COVE. Technically, we do, or technically we don't, but, in fact, we really do. Any time that individual or the company calls us and says, Sally is having a problem, we jump in immediately. First of all, we've invested a lot. We also know we are going to be looked at for retention a year afterwards. Third, that company is a customer of our's. We'd like to place more people at the company. They clearly are happy with how she's working out, but there's a problem.

Chairman McKEON. So, your customer is the city?

Mr. COVE. The city and the——

Chairman McKEON. And the employer.

Mr. COVE. [continuing] and the worker.

Chairman McKEON. And the worker.

Mr. COVE. We have three customers.

Chairman McKEON. You have to satisfy all three.

Mr. COVE. We have to satisfy all three.

Chairman McKEON. Then, so your main focus is quickly get them ready to go to the work and get them a job, then the community college, the university, if you've motivated them, if you've got them the job, if they want then to upgrade, then they could pursue further education basically on their own and continue up the ladder.

Mr. COVE. Well, with the companies helping with that as well, that's right. I really believe very strongly that we have turned around, that the education and training, and this isn't for everybody, I mean, I'm not trying to say one size fits all, but from what I've seen with welfare recipients and moving them into jobs, I would place the emphasis of education and training, once the person had succeeded, as a reward for having succeeded and stayed in a job, and give them that reward to upgrade them, to move them on to better jobs within the company or to new jobs.

Chairman McKEON. Okay.

Well, thank you very much. We want to thank you for being here, and you heard the admonition I gave to the panelists before, if you think of things that you didn't say or would like to add, and if you would be available for any written follow-up questions, I really appreciate your comments and hope you'll stay involved with us through this process.

Thank you very much.

[Whereupon, at 10:56 a.m., the subcommittee was adjourned.]

[Additional material submitted for the record follows.]

STATEMENT OF HON. MIKE WARD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KENTUCKY

Dear Mr. Chairman:

Thank you for the opportunity to provide my views on work force preparation programs to be reviewed by your committee. I want to strongly support continued funding for programs such as those developed under the Job Training Partnership Act.

Specifically, I call your attention to recent testimony before your subcommittee by Pamela Anderson, Executive Director of the Private Industry Council of Louisville and Jefferson County, Kentucky. The Job Links program that she spoke about has been a great success in assisting out-of-work people in my community train for and find new jobs. Louisville is a national model for how a "one-stop shop" approach to job training can work.

Also, the Louisville Education and Employment Partnership, a collaborative affort to prevent at-risk youth from dropping out of high school and enable those youth to graduate and make a successful transition to postsecondary education, employment, or the military has been outstanding in working with economically disadvntaged youth particularly through the Career Magnet Academies of the Jefferson County Public Schools.

Any proposal to consolidate work force training programs or their funding should allow local officials to determine the most effective way to deliver these services through public-private partnerships that include business and labor participation.

Again, I thank you for this chance to speak on behalf of programs that are very important to the City of Louisville, Jefferson County, and my entire community.

EMPLOYERS'
NATIONAL JOB
SERVICE COUNCIL

Executive Committee
Mort Jones, President
Big Guys Diner
Newport, OR

Dan Spencer, Vice President
Sierra Energy & Consulting
Bakersfield, CA

William "Bill" Hengen, Secretary
Zeiger, Inc.
Cleveland, OH

Kathleen Mahoney, Treasurer
Eastern Maine Medical Center
Bangor, ME

Gary Johnson, Past President
Winnebago Industries, Inc.
Forest City, IA

Ralph Cantrell
Executive Director

March 30, 1995

The Honorable Howard McKeon
Chairman, Subcommittee on Postsecondary
Education, Training and Lifelong Learning,
Committee on Economic and Educational
Opportunities
U.S. House of Representatives
2181 Rayburn House Office Building
Independence Avenue & S. Capitol Street, SW
Washington, DC, 20515

Dear Congressman McKeon:

On behalf of the more than 30,000 members of the Employers' National Job Service Council (ENJSC), we sincerely appreciate the opportunity to share with you and the Subcommittee our position on how best to reform our nation's employment system. And we are grateful to you for accepting our statement as a part of the official record of the Subcommittee hearing conducted on March 21, 1995.

The ENJSC is a national organization comprised exclusively of business owners and leaders who volunteer their time in over 1,100 local committees to ensure that their financial investment in the Employment Security System is returning dividends. The investment is in the form of dedicated revenues mandated by the Federal Unemployment Tax Act (FUTA) which, for fiscal year 1995, will generate $4.6 billion. The Employment Security System includes the following programs which are at the core of its operations: Unemployment Insurance, Employment (Job) Service, and Labor Market Information. However, over the past five years, this System has expanded its labor market impact by becoming leaders of change through collaboration with training and support program providers, innovations in the use of technology to empower its customers, and by making systemic change a reality.

As a result of such leadership and creativity, One-Stop Career Centers are being established in many States; further evidence that our investment is providing benefits. We are deeply concerned that the billions of tax dollars that we continue to pay may be commingled with Federal general revenues under Congressional block grant schemes. This further intrusion on the FUTA Trust Fund will place in jeopardy not only the services we now receive but also increase our cost of doing business. We

Suite 350 • 1201 New York Avenue, N.W. • Washington, D.C. 20005
202-289-2873 Fax 202-289-2879

BEST COPY AVAILABLE

firmly believe that four principles must be the cornerstone of any effort to improve the workforce preparation and employment system of this nation:

(1) Funding should be granted to the States in two block grants; one comprised of Federal general revenues for training and related support activities, and the other made up of FUTA revenues specifically targeted to operate an effective and integrated Employment Service, Unemployment Insurance and Labor Market Information System.

(2) States, working in partnership with local elected officials and the private sector, should have the flexibility to design a comprehensive, unified delivery system that fully addresses the employment needs of employers. To the degree possible, the system should build upon the existing service delivery infrastructure of the Employment Security System. It is this system that can best serve as the universal gateway to workforce development resources, and is in a unique position to be the "honest broker" for available unemployment, employment and training services.

(3) Block grants should be accompanied by broad, national goals with accountability targeted on results, including measures of customer satisfaction, rather than process.

(4) Productive partnerships between the public and private sectors is a basic tenet of an effective and efficient employment system. Meaningful employer involvement must be required at all levels of government when policy and systems of governance and operation are being addressed.

The debate in Congress regarding the consolidation of training programs causes us considerable concern. Certainly many programs need to be blocked granted and we support this concept. However, the consolidation of all these programs is not consistent with a "contract with businesses". The FUTA tax is a tax paid exclusively by the businesses of this country and is dedicated, in large part, to pay for the State administrative costs of the unemployment insurance, employment service, and labor market programs. Separating these interlocked programs will not reduce businesses' FUTA Tax but raises the undesirable specter of increased costs for businesses, while duplicating screening/profiling and referral functions in many States. We simply do not believe this to be in the best interest of anyone.

The problem of increased costs is a hidden one. In addition to the FUTA tax, all businesses pay an experienced-rated State unemployment tax which, on average, is much greater than FUTA. These two taxes are inherently coupled; the State tax underwrites the unemployment benefits, the FUTA pays for administration, as noted above. The employment service is the most significant tool that businesses have to help contain the cost of unemployment insurance. Businesses need a vital, national employment service to expedite the return to work of those drawing unemployment insurance benefits and keeping people employed and off of welfare and other public assistance programs. This saves us considerable money and puts additional dollars into the general funds of both Federal and State governments through personal income and general sales taxes.

Finally, I would like to emphasize that the employment service assists thousands of businesses find qualified workers, locally and nationally. It appears that the employment service has been labeled by some as a training program, clearly it is not. The mobile workforce and the increase of national companies argues for a resource that can broker a connection between the two. The employment service is such an entity. It needs to be strengthened, not blocked granted into obscurity. Furthermore, the employment service is paid for already; our FUTA taxes exceed the amounts allocated for administration. We believe the employment service to be an investment because it clearly is of benefit to employers, job seekers, and to the tax coffers of the Federal and State governments.

Mr. Chairman, we as employers have more at stake in this debate than perhaps any other client group. Our FUTA investment is only the tip of the iceberg; the profitability and productivity of American businesses as well as the competitiveness of our Nation in the international marketplace will be greatly impacted as well.

We look forward to working with you in the weeks and months ahead.

Sincerely,

Mark Jones

Mark Jones
Owner, Big Guys Diner
and Chairman, Employers'
National Job Service Council

James S. Frederick, Director of Industrial Hygiene United Rubber, Linoleum, Cork and Plastic Workers of America,

INTRODUCTION

Mr. Chairman, Distinguished Members of the United States House of Representatives Subcommittee on Oversight and Investigation, I would like to thank you for extending an invitation for our participation. It is our honor and privilege to assist the Subcommittee with your charge to review the activities of the Department of Labor, specifically today with the Occupational Safety and Health Administration (OSHA). The activities of OSHA are vital to the well being of working men and women.

My names is James S. Frederick. I am the director of Industrial Hygiene for the United Rubber, Cork, Linoleum and Plastic Workers of America, AFL-CIO, CLC (URW). I have been working in the area of occupational safety and health for more than seven years. I am a member of the AFL-CIO Staff Subcommittee on Occupational Safety and Health, the International Chemical Workers Union Hazardous Materials Handling and Chemicals Emergency Response Training Grant Advisory Board, and the University of Rutgers Department of Labor Education and the New Jersey Industrial Union Council Occupational Safety & Health Education Program Advisory Board.

At the URW I report to the URW International President, Kenneth L. Coss. Mr. Coss wanted to deliver this testimony personally, however, previous commitments did not allow his attendance today. Mr. Coss did ask me to stress to you that the URW is willing to provide additional assistance if needed.

PRESENTATION

The URW Industrial Hygiene Department provides technical assistance on occupational safety and health matters for the 100,000 members located at our 375 local unions in the United States and Canada. My responsibilities include working with our union members and their management counterparts in their factories to facilitate joint labor-management cooperation to address safety and health issues and concerns. The Department develops training programs and sponsors an annual Joint Labor-Management Health and Safety Symposium for our constituents and their management counterparts. Through these programs and others the URW not only recognizes, but strongly encourages joint cooperation when dealing with any occupational health and safety concerns.

The URW Industrial Hygiene Department provides assistance and coordinates local union involvement during OSHA complaints, investigations, citations, employer appeal and abatement of hazards in the workplace. Currently, the URW takes every action possible to avoid submitting an OSHA complaint. As I previously mentioned, the URW has realized that in matters dealing with the safety and health concerns of our constituents, the most effective method has been to address them through a joint cooperative process. However, the URW has many examples of situations in which for some reason (or reasons) joint cooperation was not accomplished. In some of these circumstances, unfortunately, nothing was done, and serious injuries or illness may have occurred. In other instances, the URW utilized contractual means to improve safety and health in the workplace. In yet other instances, the URW utilized the resources available at OSHA and/or other government agencies to assist the employees and management to eliminate the hazards in the workplace. I believe that it is important to note at this point that employees, union or non-union, must continue to have the right to submit a complaint to OSHA. Many times the threat of a complaint and/or inspection is the major contributing factor which encourages management participation in the joint process to eliminate or reduce hazards in the workplace. Without the right for employees to submit valid complaints and receive an OSHA inspection, many more workers in the United States will face unwarranted safety and health hazards at their workplace.

As an industrial hygienist, I have had educational opportunities, training and experience which provides me with knowledge to assist our membership with occupational health and safety concerns. OSHA provides me, as it does all employers and employees, with the tools to effectively provide a safe and healthful workplace. Providing assistance in these matters without OSHA would be like a skilled tradesperson, such as a pipefitter, performing their art without their tools. Additionally, OSHA creates a level, consistent playing field for workplaces. Some companies are more concerned with the "bottom line" than workplace safety and health. Without strong OSHA regulations and compliance, more employers would be forced to cut costs in safety and health to remain competitive. Because employees and safety professionals are able to rely on the possibility of an OSHA inspection, most employers follow the requirements.

OSHA offices receive millions of complaints each year. Not all of these complaints result in an inspection of the workplace. Many of them are handled through written and verbal communication between the employer, employee(s) and OSHA. This is an example of joint cooperative efforts alleviating workplace hazards. OSHA also performs non-complaint inspections. These non-complaint inspections may be to investigate an employers noticeably high accident rate, in response to a serious accident or fatality, to ensure that the abatement of hazards from previous citations has taken place, or from a directive from OSHA to target industries in which hazards have arisen or become apparent.

Mr. Alexander's testimony described one such targeted investigation at The Goodyear Tire and Rubber Company in Akron, Ohio. Because of the cooperative culture present at Goodyear between the management and URW Local 2, the problems were efficiently addressed. The hazards which were addressed at Goodyear with URW Local 2 are present throughout the industry. The URW is currently working with Goodyear and our Local 2 to disseminate the specific information on their reasonable, cost effective solutions to these hazards throughout the industry. It is the URW's intent to provide assistance to other employers to eliminate similar hazards. However, some employers do not wish to work with the URW on safety and health matters. In fact, some of our employers have explained to their employees that safety and health matters are not their concern. Such employers accentuate the need for OSHA's compliance team.

SUMMARY

The testimony from Mr. Alexander addressed a joint solution to a serious workplace hazard through cooperation. As I noted, this joint process to solve problems is supported and encouraged by the URW, but I do not believe that it would be nearly as effective without the support and assistance that we have had from OSHA.

I hope that the information that has been provided has been beneficial to the Subcommittee. The URW would like to extend an invitation to the members of this Subcommittee to meet with any of our local unions to discuss these items further. I also offer our assistance to request, through our employers, the opportunity for any of the Subcommittee members to tour our employer's facilities to see first hand what we have discussed.

I thank the Subcommittee for your attention and would like to offer myself and Mr. Alexander for any questions that you may have.

HEARING ON TRAINING ISSUES, SPECIFICALLY ADULT TRAINING PROGRAMS AND SPECIAL POPULATIONS

THURSDAY, MARCH 23, 1995

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON POSTSECONDARY EDUCATION, TRAINING AND LIFE-LONG LEARNING, COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES, *Washington, DC.*

The subcommittee met, pursuant to call, at 9 a.m., in Room 2175, Rayburn House Office Building, Hon. Howard P. McKeon, Chairman, presiding.

Members present: Representatives McKeon, McIntosh, Goodling, Souder, Williams, Roemer, and Green.

Also present: Representative Sawyer.

Staff present: Mary Gardner Clagett, professional staff member; Sally G. Lovejoy, senior Education policy advisor; D'Arcy Philps, professional staff member; Rick Jerue, minority counsel; and Dr. June Harris, Education coordinator.

Chairman MCKEON. Good morning. I want to welcome today's panel of witnesses to the eighth in a series of hearings our subcommittee has held on the issue of how to reform this Nation's system of work for preparation.

Our subcommittee has heard now from numerous witnesses over the last month and a half who have provided us with valuable information on the skill requirements of the work force, on model programs, and with recommendations on how to effectively and efficiently streamline and reform our current job training and employment assistance programs.

The reason we have held so many hearings on this issue to date is that we realize how very important the task ahead of us is, that of reforming and making sense of our current collection of Federal education, training, and employment assistance programs.

Today's hearing is devoted to the reform of our work force preparation programs that are designed to serve adults, as well as to the design of an infrastructure for this system. We will hear from national business leaders, from State and local program administrators, from an international labor organization, and from providers of education, training, and employment service programs designed to serve targeted populations who will provide us with insight on the innovative approaches to employment and training that they have undertaken in their States and communities, with recommendations for reform of our current collection of fragmented programs and with concerns over the special needs of the populations who they serve.

Specifically, on our first panel we will hear from Mr. Tony Carnevale, Chairman of the National Commission for Employment Policy, and Vice President of the Committee for Economic Development, from Washington, DC; Mr. Kevin Wheeler, Director of the National Semiconductor University from Sunnyvale, California; Mr. Tom Gallagher, Manager of Research and Planning for the Wyoming Department of Employment, Casper, Wyoming; Mr. Roy Vanderford, President of the Indianapolis Network for Employment and Training from Indianapolis, Indiana; and Mr. Calvin Johnson, representing the AFL–CIO from Washington, DC.

We welcome you here this morning. We ask that after we hear from Mr. Williams, we have your written testimony and if you care to summarize that, we would like you if you could to stay within the five-minute time frame which will leave us then more time for questions.

We appreciate you all being here today, and we will hear now from Mr. Williams, our Ranking Member.

Mr. WILLIAMS. Thank you, Mr. Chairman.

I add my thanks to you for accepting our invitation to be here. The first panel, as the Chairman has noted, will be about labor market forecasting or jobs for the future, and the second panel will talk about the needs of special populations that cannot be forgotten or ignored as we try to improve job preparation legislation.

Again, we appreciate you all being here and look forward to hearing your testimony.

Chairman MCKEON. Thank you.

Mr. Carnevale, please.

STATEMENT OF ANTHONY CARNEVALE, CHAIRMAN, NATIONAL COMMISSION FOR EMPLOYMENT POLICY

Mr. CARNEVALE. Thank you, Mr. Chairman.

I speak here today as the Chairman of the National Commission for Employment Policy, but also, as you point out, Vice President of CED, which is an organization of private sector leaders and also is a member of the board of overseers for the Malcolm Balridge Quality Award.

I mention the latter two again because much of what I will say I draw from the perspective of business organizations and from the experience we have had with the Balridge Award.

Simply put, it seems to me that the only way we are going to be able to get any more savings and value services out of the employment training system is we are going to have to do what private institutions have been doing for the last 15 years, two things essentially.

One is to reengineer that system to use the current language in the private sector and, secondly, to create a set of more powerful market incentives so we can get more for the money we spend.

It is clear that we do not have enough new money to build training systems. Jim Heckman of the University of Chicago estimates that it would take about $1.7 trillion in new spending for education to take us back to the income distribution of the United States in 1979. Clearly, we need to get more out of the current system, and the current system is not giving us the quantity or quality of training we need.

The way a private business would react to that clearly harsh reality is by reengineering the system. First of all, that is, decentralizing the structure, pushing autonomy and resources, skill and technology down the line towards the point of service delivery, towards the interface with the customer and at the same time not simply let the system run itself. I would add, that is not simply giving people autonomy and authority to do whatever they want as a prescription for chaos, but integrating a highly decentralized structure by using outcome standards and information systems.

So that in the end, what you have is a system where the local units are autonomous. They do what they want, but where there is a management information system in place and measures of outcome so that we know what the system is doing.

Also, in the interest of the local units, one of the things that is very clear about the current employment and training system is that it is not self-conscious, that is, it has a very hard time learning. It is not a learning institution, in the jargon of private business. It is not an institution that can capture best practice as it delivers service and interacts with its customers largely because it is too fragmented.

So we need a system, an information system, that allows us to push the state of the art, as well as serve customers better, but that information system, I think, includes a variety of different kinds of information. The most important kind are outcome measures. We need to know what the earnings and employment effects are of programs, irrespective of what the programs provide.

We can do that now through the use of unemployment insurance wage records, which are already available, are used in some States to chase down deadbeat dads or other purposes in law enforcement, and are available and used in some States for program purposes. They will tell us what the earnings effects are and the employment effects are of any public program. All we need is the social security number of the person who participated in the program.

It is a much less expensive way of tracking programs than the way we currently do. The Labor Department spent almost $30 million on a single evaluation a few years ago. At the Commission, we have 13 States UI wage records, and we can track that annually for all participants at a cost of $50,000.

So I would urge that the reform that is required is the building of an information system, and then to conclude quickly, to add market incentives into the system by giving more power to the customer. Most of the money should come in the form of some kind of voucher and to create market incentives in the system so that we can draw more productivity and more customized service from it.

Thank you.

[The prepared statement of Mr. Carnevale follows:]

Testimony of Anthony P. Carnevale, Chair, National Commission for Employment Policy,

Chairman McKeon, Congressman Williams, and other members of the Subcommittee. I am grateful for the opportunity to testify here today on matters that have been and continue to be of great concern and interest for me both as a private citizen and in my professional roles throughout my career.

I currently serve as Chairman of the National Commission for Employment Policy, an independent panel of leaders drawn from business, labor, education, community-based organizations and government. The Commission, which is charged with advising the Congress and the Administration on matters affecting the employment of Americans, has an obvious interest in these hearings and the work that you and your committee has been doing in looking at ways to streamline and consolidate existing programs. While our charge is broader than employment and training policies, we are specifically mandated to "identify the employment goals and needs of the Nation and assess the extent to which current policies and programs represent a consistent, coordinated, and integrated approach to meeting such needs and achieving such goals."

In fulfillment of our mission and in response to what we knew to be the concerns of the Economic and Educational Opportunities Committee, this Subcommittee as well as Senator Kassebaum's committee in the Senate, the Commission has prepared a full review of existing Federal programs. We have already distributed copies to individual Congressional representatives and their staffs, but, I have brought along additional copies in case they are needed. Our purpose was to expand the base of knowledge about individual programs, beyond the simple numerical listing presented by the U.S. General Accounting Office. Our publication contains information about the legislative authorization for each major program, the types of services provided, eligibility requirements, administrative structure, and funding flows. In addition, there is useful up-to-date information about the number of participants, program activities, obligations, and other program detail, wherever possible by state. We hope that you will find the volume helpful in your deliberations.

My testimony here today will also reflect more than a decade of direct experience working with a broad array of private employers undergoing the same kinds of performance problems and financial pressures as the root of current proposals to "reengineer" public education, employment and training programs. I currently serve as Vice President and Director of Human Resource Studies with the Committee for Economic Development (CED). The CED is an association established in 1942 to provide a business voice in the national dialogue on economic issues. Currently, the CED is led by more than 230 trustees who are CEO's or COO's of American business organizations chosen by their peers for excellence in both business and organizational leadership. In 1994, the CED asked Frank Doyle, the COO of General Electric to chair, and me to direct, a subcommittee on the impact of economic change on American workers. The subcommittee will not report its findings and recommendations on a broad array of human resource issues until midsummer. Nevertheless, many of the findings and recommendations bear directly on the work of this Subcommittee. While the CED has not finished its work, my remarks do reflect some of what we have learned first hand in the nation's workplaces along the way.

I also serve as a member of the Board of Overseers from the Malcolm Baldridge National Quality Award. The Baldridge Award is governed and predominantly funded by the private sector and provides a uniquely successful example of successful private sector human resource management, and we have begun to extend the Baldridge performance criteria into public education and health care, with the development of separate standards to be piloted later this year. Much of my testimony on reforming Federal employment and training programs draws on cutting edge organizational practices in the nation's best business organizations represented in the Baldridge competition and reflected in the continuous refinement of the Baldridge standards.

My testimony divides into two parts. (1) I want to add my voice to the chorus of support for reform, and (2) I will propose a structure for reform that parallels similar reforms in the private sector. I will not focus as much on particular programs and their effectiveness, as much of that is covered in more detail than I could hope to duplicate here, but I would be pleased to answer questions on the effectiveness of particular programs or supply added information as the Committee wishes.

THE NEED FOR REFORM

We need to reform the existing education, employment, and training system for two reasons. First, the need for labor market services is growing. And second, we are unlikely to be able to fund the growing need with new money. We can only meet that need by making better use of our current resources.

As we approach the fiftieth anniversary of the Employment Act of 1946, the nation's most comprehensive employment policy vision, we seem to be returning full circle to the debate that surrounded the passage of that landmark legislation. In the middle forties, the Depression was fresh in mind and a grim set of predictions on the negative effects of demobilization were in hand. The resultant legislation pointed toward policies to provide a labor exchange and labor market services for all Americans. The gloomy predictions proved untrue, however, and the gloomy mood passed with the postwar economic boom.

In the fifties and sixties, the American postwar boom blunted the urgency once associated with the need for labor market services for all Americans. Most agreed that the lion's share of Americans were doing fine on their own. They also agreed that the principal purpose of public education, training, and labor market institutions, especially Federal programs and institutions, were not sharing in the largesse of the American economic boom. As a result, the Federal education, employment, and training mission shifted toward the disadvantaged.

Beginning in the seventies, poor competitive performance began shifting concern back toward mainstream workers who were dislocated by economic change. In the eighties and early nineties, we added the relatively advantaged and incumbent workers to the population at risk from economic change. In the current context of the mid-nineties, the anxiety of the broad middle class is almost palpable.

The crossing from the old to the new economy continues to be bittersweet for a growing share of American workers. Our ability to discern the final shape of our economic future is obscured by an economic context dominated by a mysterious and longstanding decline in productivity and recurrent cyclical factors.

We have all heard the bad news

- Publicly announced "downsizing" has reached over 600,000 in both 1993 and 1994

- Since 1972, real compensation and productivity growth have stagnated Real compensation per hour in the non-farm business sector has grown at an average annual rate of 4% since 1973, compared to a 2 4% average annual rate between 1960 and 1973

- Output per worker hour has grown at an average annual rate of 9% since 1973, compared to a 2 5% average annual rate between 1960 and 1973

- The expansion of benefit costs, especially health care costs, has crowded out wages In 1960, wages and benefits represented 92% and 8%, respectively, of worker compensation By 1992, 82% of total compensation was made up of wages and 18% went to benefits

However, these trends do not tell the whole story A look beneath the aggregate reveals a more mixed picture Every economic system distributes its opportunities differently

- Job security with a particular employer is declining but employment security with a particular industry, and occupation are still strong In the seventies, 62% of men worked for the same employer for at least eight out of ten years After the eighties, only 47% of men enjoyed eight years or more with the same employer Over the same period the proportion of men able to work in the same occupation at least eight of ten years persisted at 68% since the seventies

- Job tenure increased for women but only because women increased hours worked by a full 50%

- In the old economy, workers' earnings depended on the industry and company they worked for The old postwar economy favored managerial and technical elites as well as high-school educated blue collar workers who cashed in on the oligopoly power of large monolith institutions, especially in manufacturing Elite workers in the old economy were predominately white and male and concentrated in manufacturing and extractive industries

- The new economy rewards organizations that are flexible and individuals that are skilled and who have access to information technology and employer-based training

- New information technology at the core of structural change displaces unskilled labor but unlike previous technologies that automated skill, information technology complements skill and rewards those who use it with higher wages High-school grads who use information technology on the job earn 15% more than those who don't College grads who use information technology earn 30% more than those who don't

- Access to formal learning on the job provides an added wage premium Among workers already on the job, employer-provided formal training has a greater impact on earnings than any other form of learning, including additional schooling, irrespective of the trainees' education level. In 1991, while the median weekly earnings of a high school graduate who received no training was only $365, the median high school graduate who received formal company training earned $499 and the median high school graduate, who received additional schooling or informal on-the-job training, earned $421 and $415, respectively. The earnings of those who receive informal on-the-job training compares well with the earnings of those who receive additional schooling.

- Earnings and job security are determined less by industry and more by occupation. Where Americans work matters less and what they do matters more.

- As monolithic employer institutions downsize and fragment into complex competitive networks of smaller extractive, manufacturing, and service institutions, blue-collar males lose jobs but the economy becomes more accessible to female and minority workers.

- America has lost jobs in high-wage industries, but at the same time has gained jobs in high-wage occupations. The structure of occupations in every sector, including manufacturing and extractive industry, is shifting toward the higher wage and higher skilled occupations; but most of the growth in these "good jobs" is occurring in the lower wage service industries.

- Unemployment trends have been low but increases in the duration of unemployment has been alarming. The average duration of time spent on unemployment has grown from 7 weeks in 1967 to over 18 weeks in 1993. The percentage of the long-term unemployed in the labor force has tripled since 1967. Moreover, workers are having a harder time finding full-time employment.

- The percentage of involuntary part-time workers is still less than ten percent but the proportion has almost doubled over the last twenty years.

- Economic risk and uncertainty have increased for everyone. More highly educated workers do better than less well-educated workers, but earnings differences are growing even faster within education cohorts. For instance, college graduates still do better than high school graduates but the differences in earnings among college graduates with the same skill and experience has increased dramatically.

- Although the American economy still provides upward mobility for most, it does so for a declining majority of Americans. In the seventies, 79% of Americans were income gainers compared to 67% in the eighties.

- Earnings for men, except the most educated cohort, have declined, but earnings across every female cohort has increased.

- Women are doing better, but 80% of the increase in female earnings comes from increased hours worked

- The structure of occupations in every sector, including manufacturing and extractive industry, is shifting toward the higher wage and higher skilled occupations but most of the growth in these "good jobs" is occurring in the lower-wage service industries

MATCHING RESOURCES TO NEEDS

The current economic turbulence extends the plausible demand for additional education, training, and other labor market services far beyond our meager public resources At the same time, the temptation to shift services to relatively advantaged Americans is tempting The "anxious" middle class pays the bills Moreover, their superior human capital and access to learning on the job guarantees that funds spent for additional education, training, and other labor market services would have much higher returns than spending on the poor or dislocated workers

My own view is that the poor and dislocated should continue to be the overwhelming priority for Federal funds The growing divergence in our income distribution is increasingly based on access to skill, technology, and on-the-job training If we can't stop the current drift, we risk more social disruption and the politics of resentment The best and most affordable strategy for improving human capital development among the mass of Americans is to reform our current mainstream education and learning systems on the job and to improve information available to individuals and institutions to help them make better learning investments with resources that are already being expended

Ours is a society based on work A job is the price of admission in this individualistic and participatory culture Good jobs make good neighbors and good citizens Those unable to get and keep a job drop out of the community and the polity In the worst cases, after facing poor job prospects for prolonged periods of time, the unemployed and underemployed create alternative cultures, economies, and political movements that are a threat to the American mainstream

Disadvantaged Americans usually start out and end up poor for want of access to skills Dislocated workers rarely end up poor but are hurt by how far they have to fall from middle class status when they lose jobs and don't get them back Ultimately, dislocation is the dark side to the characteristic flexibility in the American economy that is simultaneously our most valuable competitive asset and the source of much of our economic uncertainty Ultimate success in the new economic environment will depend upon our flexibility Success will also depend on minimizing the economic insecurity and inequality that can become the dark side of economic dynamism Flexibility cannot become just another fancy word for "fired," or for a job without benefits, or for involuntary part-time work without basic projections on the job

If we are to enhance the competitive flexibility in the American economy, we will need to create an equally flexible set of tools to allow dislocated American workers to be flexible Education, training, and labor market services, as well as portable health care and pensions, are key elements in that tool kit. If we cannot find the means to increase investments and enhance flexibility in resource allocation, we will not realize the productivity gains that will ensure a successful crossing from the old to the new economy. If we do not adapt and grow, we will be left with the politics of envy and protectionism as we fight over shares of a static or declining economic pie.

Current Federal programs cover only small proportions of eligible disadvantaged and dislocated Americans. It is hard to imagine how we would find funds for everyone else, particularly given current trends toward rescission and budget cutting. While we certainly don't now and will never have enough new money to provide all the education, employment and training services we would like, we can accomplish a great deal by making better use of the money that is already being spent. For instance, Professor James Heckman of the University of Chicago has pointed out that it would cost as much as $1.7 trillion in education and training investments to restore 1979 earnings levels. The requisite investment seems daunting until you look closer. Lawrence Katz, formerly the Chief Economist for the U.S. Department of Labor and now at Harvard, has calculated that our total education commitments increase by about a trillion dollars a year and our total production for human capital increases by two trillion each year (including on-the-job training). If we could improve the performance of our current human development system by about 8% each year, we could close the $1.7 trillion gap in a decade with no new spending.

REINVENTING FEDERAL TRAINING PROGRAMS

Current proposals for reforming Federal employment and training systems tend to mix three approaches: (1) **block grants** and other proposals to push decisions closer to the interface between real clients and real jobs, (2) **vouchers** that empower individuals with choice, and (3) the development of **information and other systems reforms** that enable empowered individuals to make better choices.

In my view, it is critical that the final reform proposal combine all three approaches. Only the three in combination will work and represent a real qualitative improvement over the current system.

At first glance, any reform effort appears daunting. The variety of target groups, administrative structures, and funding flows is extensive, making amalgamation into a single system difficult. Broad block grants to states for specific purposes are one potential remedy that have been widely proposed, since block grants allow for greater flexibility in tailoring programs and services to meet local needs. Undoubtedly, pushing program decision making out beyond the Washington Beltway toward the interface between real jobs and real job seekers is a good idea. Nonetheless, block grants are unlikely to work all by themselves. After all, we have been giving state and local authorities more direct authority in education, employment, and training programs since President Nixon's "New Federalism." For instance, more devolution of program decision authority follows the longstanding pattern established in CETA and JTPA. More devolution may be advisable but it is unlikely to produce any dramatic changes in program effectiveness unless it is accompanied by other reforms. Bundling existing programs and sending them to the states will work best if we also create new market-based incentives that empower recipients with choice and enable them with information to help them choose and thereby encourage the provision of the highest quality services, provided with the most quality at the lowest possible cost

Nor will vouchers work all by themselves For instance, empowering people with choice without enabling them to make effective choices begs the fundamental question Training for what? Training doesn't create jobs Jobs create the need for training Training should never occur unless there is a job in sight or a job in hand At the moment, we don't know where the jobs are, let alone what skills are required to do them Until we build basic information systems and infrastructure to deliver it, we will continue to waste resources on ineffective training

The third element in reform proposal bills has been information infrastructure Information on available jobs, occupational projections, and the track records of training service suppliers are especially critical not only to the effective use of Federal vouchers and program monies, but to helping private individuals and employers make their own career development and human resource management decisions Information systems and the vehicles for their delivery improve the quality and returns to both public and private human resource investments

In many respects, the challenges now before the Congress is exactly the same challenge faced by most American employers in today's globally competitive market Until the early seventies, American employers won the competitive race relatively easily based on their ability to produce high volumes at reasonable prices Quality was a secondary concern Since then, however, quality, variety, customization, convenience, and speed have been added to low price as the new standards of production Similarly, in the decades when reducing the national debt seemed less urgent, the Congress was free to develop and sustain a myriad of programs that met the needs of individuals who were having difficulties in the existing labor market Since then, however, the rules of the game have changed precipitously, calling for a new look and the development of greater efficiency and more consistent quality

In the private sector, employers have met the challenge of new performance standards by "reengineering" -- pushing decisionmaking authority, along with flexible technologies, down the line toward the point of production or service delivery and at the interface with the customer In addition, they have strengthened their customer focus by empowering customers through choice and enabling them with information to make informed choices These new decentralized "high performance work" formats enable firms to tailor their production to the specific needs of their customer base At the same time, however, they do not just let individual business units or suppliers function on their own -- a sure prescription for chaos and fragmentation Rather, the business solution is to avoid fragmentation by integrating complex institutions with information and performance standards that allow autonomy in individual business units, while encouraging overall efficiency and consistent quality

Business organizations eliminated much of the organizational "dead wood" and consolidated where appropriate, but the greatest improvements in value added came from "informating," not eliminating or consolidating.

A parallel business solution is available to solve the current dilemma now faced by the Congress with regard to workforce preparation programs in all their variety and complexity While block grants to states can offer a way to "bundle" resources for a specific purpose and at the same time permit the development of flexible solutions tailored to area needs, they do not resolve the issue of how to protect the Congressional oversight function and prevent waste, fraud, or abuse from occurring at state and local levels The safeguard in this instance is the same as that for private business, namely, the creation of bottoms-up delivery structures, integrated by information systems that can maintain overall integrity, efficiency, and quality in pursuit of public goals

A franchise model, long since typical of private companies like Sears, Manpower, Inc , and Visa, provides state-of-the-art models of highly decentralized structures that combine MIS and measured outcome goals to promote efficiency and quality in subunits without violating their operational integrity The franchise model parallels in many ways the proposed federal/state block grant model for workforce preparation programs

The primary purpose of reengineering is to focus an organization's resources on the customer In private business, reengineering is always accompanied by changes that give the customer greater leverage By empowering customers with choice and enabling them with information to inform those choices, business organizations ensure that (1) a greater share of available resources end up serving customers rather than institutional needs, and (2) they enlist the energies of the customer as change agents to assure a clear focus on the ultimate mission of the organization Empowered and enable customers can constantly reshape organizations to serve their changing needs

We can achieve the same focus in current education, employment and training programs by developing a service system in which clients are empowered with individual accounts and enabled by information and counseling provided by a neutral intermediary The neutral intermediary should be a public labor exchange where business can find qualified employees and individual Americans can access effective career development services

In sum, my own view is that the reform of public education and training should be focused on a tripartite strategy: (1) reengineering the delivery system; (2) empowering and enabling customers with choice and information; and (3) creating a public labor exchange.

Reengineering delivery of services, empowering and enabling clients, and developing an effective neutral intermediary between clients and service providers enlists the discipline of private markets in an era of scarce resources, focuses resources on client needs, substitutes market-based relationships for expensive administrative bureaucracy, and preserves the integrity of public programs by establishing a neutral public intermediary between clients and service providers

The most effective plan for improving the current workforce development system follows these steps

(1) To Reengineer the Delivery System. Begin immediately to eliminate or consolidate programs that are either unfunded or clearly duplicative in nature Block grants should be organized by appropriate client groups, primarily disadvantaged youth, disadvantaged adults, and dislocated workers While the majority of funds should go directly to clients, block grants to states and localities are appropriate for creating information systems and an effective public labor exchange to assist all workers in their career development choices

(2) To Empower and Enable Customers with Choice and Information. The majority of funds should be allocated to eligible individuals in the form of vouchers to insure a maximum of funds go to client services and to encourage a client-driven system

The voucher concept appears in proposals recently introduced in the Senate and in a proposal developed for the Administration by the U S Department of Labor It is not my purpose here today to argue for or against particulars in these various proposals, but I do want to stress my own strongly held belief that in any new system, individual empowerment must be paramount and that vouchers, particularly for adult workers, constitute a proven method for bringing this about Among the advantages that a voucher system can bring are greater efficiency, lower administrative costs, and, in most cases, a greater degree of individual control over training choices

Nevertheless, these advantages should be considered in the context of disadvantages, some of which were pointed out in a study done for the Commission in 1992 by the Bureau of Social Science Research, Inc The most important concern involves the need for well-informed decisions about alternative training opportunities available and the suitability of those opportunities for the individual's own labor market goals In the past, individuals left to their own devices have sometimes selected expensive training schools and courses that have not met their needs Therefore, while *empowering* individuals through vouchers (or some other mechanism), we must at the same time *enable* them to make more effective individual choices, this would require that new investments in new information be encouraged Within this system, four kinds of information should be gathered

- **Management Information.** Parallel management information systems would enable program operators and administrators to know what the programs are accomplishing Progress in the development of such a system would require the establishment of common eligibility and service definitions and elimination of excessive reporting requirements The work of the "Common Core Data Elements Work Group," an interagency task force created some time ago to explore core data elements and common definitions for employment and training programs, should serve as a model for an expanded effort to include all related definitions and data elements from the universe of programs

- **Labor Market Information (LMI).** More attention should be given to developing adequate information about the kinds of jobs that are being created The UI wage record system could be further developed to provide more useful information about the kinds of jobs that are being created nationwide

- **Program Effectiveness and Outcome Data.** As part of the effort to ensure accountability by service providers, it is essential that there be documentation of individual learning gains and employment and earnings effects derived from specific services and treatments by individual service providers

In addition, common data on the earnings and employment effects of the diverse array of state and local programs envisioned in this bottoms-up delivery structure need to be developed to help a multiplicity of providers and individual clients understand what is working and what is not One experimental approach originated by the National Commission for Employment Policy involved the use of Unemployment Insurance (UI) wage records A database tying unemployment insurance wage and employment records to the JTPA programs in some 20 states has been developed by NCEP and has been used to evaluate the results (i e , pre- and post-program employment and earnings gains) from JTPA and JOBS programs for adult men and women in several states In the 1992 JTPA Reform Amendments, the Congress directed the Bureau of Labor Statistics to begin exploring how to expand this system nationwide, and the Commission would recommend that this effort go forward as rapidly as possible

In addition to these individual program evaluations, the Congress should consider requiring the preparation of an annual report on the effectiveness of training programs, modeled after the *Employment and Training Report of the President*, formerly produced by the U S Department of Labor As originally published, the report included a summary review of training programs and a compendium of statistical labor market information and program data *Understanding Federal Training and Employment Programs*, just published by the Commission, embodies this concept However, the report recommended by the Commission would be even broader in scope, including statistics and evaluation summaries using UI wage data and other sources for information about what publicly funded workforce preparation programs are accomplishing and at what cost Such a report would provide a national assessment that would enable the Congress as well as state and local authorities to monitor the progress of these programs on an ongoing basis and determine if additional reforms are needed Moreover, the report would provide an inventory, analysis, and dissemination of model practices drawn from the myriad of state and local program offerings

- **Customer Information.** Tying MIS and UI wage record data together should make it possible to offer program effectiveness data to "customers" -- namely, prospective participants, counselors, and others who need to evaluate which services will provide the best results This is admittedly at an early stage of development, but with a growing emphasis on "customer satisfaction" in the public sector, it is important to focus on the development of this type of information and methods to make it conveniently available to all interested parties

(3) To Create a Public Labor Exchange. A public labor exchange is required to provide a place where individuals can go for information and counseling and employers can go to find prospective employees The labor exchange should not provide training but should be the repository for labor market and customer information on individual education and training providers The labor exchange should also provide basic functions like vocational assessment, job counseling, job search assistance, and job development The labor exchange needs to be public in order to protect the integrity of labor market information drawn from business organizations, to provide consistent eligibility determination for individuals, and to protect the privacy and integrity of individual employment records While often maligned and still suffering the results of lengthy periods of underfunding, the public Employment Service, which now collects and manages sensitive labor market information for employers, local areas, and states, could be improved and should be integrally involved in the development of any renewed system

Thank you once again for the opportunity to participate in these hearings I will be happy to address any questions that you might have about particular recommendations I have made

Chairman McKEON. Thank you very much.

Mr. Wheeler.

STATEMENT OF KEVIN WHEELER, DIRECTOR, NATIONAL SEMICONDUCTOR UNIVERSITY

Mr. WHEELER. Thank you very much and good morning.

I am Kevin Wheeler, Director of National Semiconductor University in Sunnyvale, California. I am also a member of the board of directors of the American Society for Training and Development, which represents more than 58,000 corporate-based specialists in training, in learning, and in performance.

I thank the Chairman and the committee for the opportunity to testify, and I will summarize my remarks and ask that the full text be placed in the record.

As the representative this morning of both a company and an association, with a long-held commitment to the skills development and lifelong learning of all employees, I am pleased to discuss ways in which the private sector and the public sector can learn from each other and work together to create a national system for lifelong learning for all adults.

I will begin by describing some of the purposes and characteristics and lessons of work force education and training at National Semiconductor Corporation and how we manage this responsibility at National Semiconductor University. I will then discuss some aspects of the California employment and training system and our experience with it, as well as some experiences we have had with education and training in other countries where National Semiconductor does business.

The demands of global competition, technological innovation, knowledge requirements, and dramatic changes in the organization of work raise the importance of a highly skilled, flexible, and continuous learning work force.

Performance of an organization, of a team, or of the individual employee increasingly has become the critical factor in determining a company's competitive edge. Technology itself can be copied. Research and markets can be opened up or purchased, but a skilled work force remains unique to the circumstances and learning performance and productivity of the organization.

National Semiconductor Corporation provides technologies for moving and shaping information. The company focuses on four key areas: communications, consumer, industrial, and personal systems markets. It is headquartered in Santa Clara, California, and has 22,300 employees worldwide.

National was a pioneer in developing the silicon chip manufacturing industry in the United States, and because of its early efforts to develop this industry well before any skilled employees were available in the general work force, National found it necessary to invest in developing its own employees.

The technology for designing and manufacturing chips and integrated circuits has increased in complexity. The demand of a global marketplace has imposed higher standards of business capability than ever before.

As a consequence, success in the world's stage requires the companies become learning organizations whose employees are well prepared for and skilled at driving and responding to change.

To assure that National Semiconductor has these required competencies and skilled employees, National has created National Semiconductor University. The university is a network of employee development professionals chartered to enhance human capability. In partnership with regional sites, National provides a focused array of services on a global scale.

We work very often with our suppliers and our customers to build learning alliances with them. One example of an effective public-private partnership at the State level is the California Employment and Training Panel, also known as the ETP. The panel funds a range of training programs and directs funding to training with the greatest potential benefit to the California economy.

The key to the panel's success is its ability to forge partnerships with other economic development entities, its studies of the work force of the future to determine future skills and training needs, and its emphasis on evaluation to insure ongoing improvement in the programs.

Four lessons can be drawn from the California Employment and Training Panel. Tough performance contracting standards up front provide the incentives to make sure the training pays off. Employers can be used effectively as training providers. When employers are involved in developing curriculum and selecting the participants, the training is more effective, and developing programs on a project-by-project basis, including aggressive searches for industries and companies where training can boost productivity and earnings is an effective method for keeping training in touch with the labor market.

National has manufacturing facilities in Singapore and Malaysia, as well as in other Southeast Asia countries. Clearly Singapore has used the funding of employee development as a competitive edge. It enjoys one of the most highly educated and capable work forces in the world because the government has consistently invested heavily from public funds to help develop the private sector.

This, in our opinion, is an exemplary use of public funds for the general good. It is also an investment that has paid itself back many times over. We strongly support such government investment if we can remove bureaucratic encumbrances and rigid policies.

On behalf of National Semiconductor and of the American Society for Training and Development, I commend this committee for its concern for employed workers, as well as for those who are unemployed. A learning which occurs on the job is important not only for improving the skills of the individual, but for the competitive success of companies.

Toward this end, a policy framework is needed that will support lifelong learning as a fundamental principle. A recommendation that would assist with accomplishing this goal would be to provide financial incentives for training. For example, reinstate and make permanent section 127 of the Internal Revenue Code, employee education assistance.

Section 127 allows an employee to exclude from taxable income up to $5,250 in employer paid tuition, books, and fees for non-job related undergraduate and graduate courses. This tax provision expired on December 31, 1994. We, as employers, use this section as a valuable retraining tool for workers whose jobs have become obsolete, and further, it is the only financial incentive offered by the Federal Government to increase education and training of currently employed workers.

Mr. Chairman and members of the committee, thank you very much for the opportunity to share the views and concerns of National Semiconductor University and the American Society for Training and Development. I would be pleased to answer any questions you may have.

[The prepared statement of Mr. Wheeler follows:]

Statement of Kevin Wheeler

Director, National Semiconductor University

Thank you Mr. Chairman and good morning. I am Kevin Wheeler, Director of National Semiconductor University in Sunnyvale, California. I am also a member of the Board of Directors of the American Society for Training and Development (ASTD), which represents more than 58,000 corporate based specialists in training, learning and performance. I thank the Chairman and the Committee for the opportunity to testify before this committee. I will summarize my remarks and I ask that the full text be placed in the record.

As the representative this morning of both a company and an association with a deep and long held commitment to the skills development and lifelong learning of all employees, I am pleased to discuss ways in which the private sector and the public sector can learn from each other and can work together to create a national system for lifelong learning for all adults. I will begin by describing some of the purposes, characteristics and lessons of workforce education and training at National Semiconductor Corporation and how we manage this responsibility at National Semiconductor University. I will then discuss some aspects of the California Employment and Training system and our experience with it, as well as some experiences we have had with education and training in other countries where National Semiconductor Corporation does business. I will conclude with some recommendations for your consideration for federal action in support of national workforce development priorities.

The demands of global competition, technological innovation, knowledge requirements and dramatic changes in the organization of work raise the importance of a highly skilled, flexible and continuously learning workforce to the highest level ever. Performance--performance of the organization, of the team, and of the individual employee--increasingly has become the critical factor in determining a company's competitive edge. Technology can be copied, resources and markets opened up, but a skilled workforce remains unique to the circumstances, learning, performance, and productivity of the organization.

National Semiconductor

National Semiconductor Corporation provides technologies for moving and shaping information. The company focuses on four key areas--communications, consumer, industrial and personal systems markets. National Semiconductor is headquartered in Santa Clara, California and has 22,300 employees worldwide. In fiscal 1994, the company posted $2.3 billion in sales and achieved the highest earnings in its history.

National Semiconductor Corporation was a pioneer in developing the silicon chip manufacturing industry in the United States. Because of its early efforts to develop this industry, well before skilled employees were available in the general workforce, National Semiconductor found it necessary to invest in developing its own employees. The technology for designing and manufacturing silicon chips and integrated circuits has increased in complexity, and the demands of a global marketplace impose higher standards of business capability than ever before. As a consequence, success on the world stage requires that companies become learning organizations whose employees are well prepared for and skilled at driving and responding to change. To assure that National Semiconductor has the required competencies and skilled employees to meet these needs, National has created National Semiconductor University.

National Semiconductor University is a network of employee development professionals chartered

BEST COPY AVAILABLE

to enhance human capability. In partnership with regional sites, NSU provides a focused array of services, stimulating the free exchange of ideas and best practices on a global scale.

Through NSU, all employees--very often in partnership with costumers and suppliers--continuously learn to build their abilities and strengthen their performance in order to improve National Semiconductor's competitive advantage.

NSU transcends the limits of traditional corporate training and leadership development organizations. It stimulates new ways of learning and sharing. It fosters and teaches a systems approach to business strategy and employee development. National Semiconductor has invested heavily in technology to transcend boundaries and oceans in order to deliver state-of-the-art development programs and to link our employees worldwide in interactive discussion. We believe that our organization and use of technology puts us among the top 5 to 10 corporate universities in America; in ability to respond to changing needs and in capability to deliver our programs worldwide quickly and cost effectively.

All of our programs are expected to produce results that are measurable to management. At times this measurement may be as simple as a change in attitude or direction by an employee or by a group of employees. At other times it could be a precise measure of return on the dollars invested in the program. In any case, what is important is accountability and responsiveness to business needs and customer demands. We do not believe in development for its own sake, but only how it impacts the profitability or productivity of the company.

We hold all our instructors to high standards of performance, tracking their success both as it is measured by the students, but also as it is measured by results back on the job. We ask that instructors continue the relationship with their students as coaches or mentors even after the formal event, so that skills can be reinforced and improved. That is also why we stress having our own employees teach other employees as much as we can.

We generally do not employ curriculum design experts within the university. Rather we employ people with business, needs assessment, or technical skills to ensure that our programs are relevant to both current business needs and future needs. We then engage external curriculum experts to craft, along with our internal expert, the actual training or development event.

We also believe that we should not recreate work done well by others already. Therefore, we work extensively with community colleges, universities, and government agencies of all kinds, at local, state and federal levels, to provide development services. Our primary issue in dealing with these institutions is their difficulty in responding quickly to our needs. There systems and procedures encumber them, and often limit their usefulness to us. They are also often hampered by restrictive rules on bargaining and negotiating competitive pricing for services. The government's great service would be to find ways to relieve these schools and agencies from such restrictions and limitations.

California Employment and Training Panel

One example of an effective public/private partnership at the state level is the California Employment and Training Panel (ETP). The Panel funds a range of training programs and directs funding to training with the greatest potential benefit to the California economy. Key to the Panel's success is its ability to forge partnerships with other economic development entities; its studies of the workforce of the future to determine future skill and training needs; and its emphasis on careful evaluation to assure ongoing improvement in the program.

Four lessons can be drawn from the California Employment and Training Panel:[1]

- Tough performance contracting standards provide the incentives to make sure that training pays off;
- Employers can be used effectively as training providers;
- When employers are involved in developing curriculum and selecting participants, training is more effective; and
- Developing programs on a project-by-project basis, including aggressive searches for industries and companies where training can boost productivity and earnings, is an effective method for keeping training in touch with the labor market.

National Semiconductor has applied for and been granted funding from the ETP several times. Each time the process has become more streamlined and better designed. Originally it was heavily bureaucratic and rarely met our needs for speed and relevance. Today it is becoming a model of reform. We have received more than $1 million in funding from the ETP and are currently applying for additional funding to train new production workers for employment in our new $100 million wafer fabrication plant which will offer employment to 200 new workers.

---

[1] Excerpted from Public Training with Private Efficiency: An analysis of the Outcomes of the California Employment Training Panel Programs; Richard W. Moore, Daniel R. Blake, and G. Michael Phillips; California State University, Northridge; May 1994

Mr. Chairman, the factors which have contributed to our success in creating high performance work systems within National Semiconductor Corporation are important for any system of training and learning. As this committee, the federal government and state and local governments begin to develop a framework for a new federal/state partnership for job training, we would suggest the following additional recommendations:

- Ensure that the system works in an ongoing and evolving partnership with its customers and suppliers;
- Remove rules and regulations which prevent community colleges and other public providers from responding swiftly to business needs.

Corporate Benchmarking Data

The American Society for Training and Development has established a "Benchmarking Forum" of approximately 50 leading-edge companies that have agreed to share information on training and employee development activities in their companies to better understand trends and best practices. Issues that participating companies are addressing include the decentralization of training, the alignment of training with company strategic objectives, and the measurement of return on training investments. As the Congress and the states work to improve publicly supported education and training programs, ASTD will be able to provide information on trends in leading-edge companies that are known for their investments in human resources.

International Comparisons

As a final note, I would offer the following lessons from our experiences in other countries. National Semiconductor has manufacturing facilities in Singapore and Malaysia as well as in other SEA countries. Clearly Singapore has used the funding of employee development as a competitive edge. It enjoys one of the most highly educated and capable work forces in the world because the government has consistently invested heavily from public funds to help develop the private sector. This is, in our opinion, a exemplary use of public funds for the general good. It is also an investment that has paid itself back many times over. We strongly support such government investment if we can remove bureaucratic encumbrances and rigid politics.

On behalf of National Semiconductor Corporation and of the American Society for Training and Development, I commend this committee for its concern for employed workers as well as for those who are unemployed. The learning which occurs on the job is important not only for improving the skills of the individual but for the competitive success of companies. In the past decade, some American companies have had short-term success with downsizing, reengineering and other mechanisms to make production and service delivery more efficient. For those companies which face the need to improve productivity, a highly skilled workforce often can make the difference in contributing ideas for change which eliminate the need for significant layoffs. For those companies which cannot avoid layoffs, well-trained, high performance employees have the knowledge and skill to find other jobs.

A well-trained, skilled workforce is critical because it directly affects both company productivity and competitiveness in today's global marketplace. The integration of international economies combined with unprecedented technological developments demands a fundamental change in the U.S. workforce training strategy. If U.S. companies are to be competitive, we must promote both continuous learning for current employees as well as higher skill levels for new hires.

As a result, a policy framework is needed that will support lifelong learning as a fundamental principle. Toward this end, the National Semiconductor University and the American Society for Training and Development propose the following recommendations, with shared federal, state and local responsibility across the public and private sectors.

RECOMMENDATIONS

Provide Financial Incentives For Training

- Reinstate and make permanent Section 127 of the Internal Revenue Code (Employee Education Assistance). Section 127 allows an employee to exclude from taxable income up to $5,250 of employer paid tuition, books and fees for non-job related undergraduate and graduate courses. This tax provision expired on December 31, 1994.

- Provide an investment tax credit for training. Such a tax credit could target front-line, technical and nonsupervisory production workers, and be limited to specific types of training, such as basic skills. In this case, the tax credit would reward those skills that are transferable for the employee receiving training.

- Establish a federal matching grant program for training that would provide matching grants to local consortia of business, labor, education institutions, and community and professional organizations that develop training programs, quality assurance processes, equipment utilization and other workforce improvement initiatives.

Improve The Collection And Dissemination Of Workplace Training Data

- Require the Department of Labor to produce a biennial report on the effectiveness of formal worker training programs. The information collected should include statistical data on the total annual expenditure of U.S. industry on formal worker training programs, number of participants, participant characteristics and outcomes achieved.

- Support the development of a database on state and local policies designed to enhance workforce development. The database would help inform state and local leaders about best practices, customized training programs, adult education and literacy programs, and workforce finance policies such as tax incentives.

Mr. Chairman and members of the Committee, thank you very much for the opportunity to share the views and concerns of the National Semiconductor University and the American Society for Training and Development. I would be pleased to answer any questions that you may have.

Chairman McKEON. Thank you very much.

Mr. Gallagher.

STATEMENT OF TOM GALLAGHER, MANAGER OF RESEARCH AND PLANNING, WYOMING DEPARTMENT OF EMPLOYMENT

Mr. GALLAGHER. Good morning, and thank you for inviting me. My name is Tom Gallagher. I am with the Department of Employment, State of Wyoming. I am the LMI Director.

During last winter, the State LMI directors participated with the Bureau of Labor Statistics in a congressionally mandated comprehensive study of the Nation's labor market information system. As a result of that study, we have currently established what it is that employers, workers, and the public policymakers are interested in seeing out of a labor market information system.

They are interested in timely information on the supply and demand for labor, wage rates, industrial descriptions, and analysis of local market trade areas, work force demographics, employment and earnings histories, information about the availability of training and education services, and the track record of these training providers.

Last year in school-to-work legislation this committee through its report language recognized those needs. There seems to be a consensus between the history of what Congress has done and what this study revealed that gets us to the point we know what we want.

The issue is not one of defining needed statistical products and services. The issue is how do we put in place an organizational structure to meet those needs.

As a result of last winter's comprehensive review, I believe the LMI directors would concur with the idea that for reasons of efficiency and accountability, what is needed is a consolidation of responsibilities for national, State, and local LMI system into a single Federal entity with a unified funding stream that allows Congress to track spending and review performance.

It is also evident, however, that the present fragmented Federal system of LMI is insulated from the local customers it is supposed to serve and from the fundamental transformations in the labor market that it is supposed to measure. In order to address this problem, LMI directors are most likely to endorse centralizing responsibility for labor market information in a Federal agency, and at the same time request the establishment of a dynamic mechanism designed to share the authority for its operations.

I believe this approach is consistent with the bottoms-up strategy employed by the private sector as it adapts to a changing global environment.

Specifically, I am recommending that one Federal agency be put in charge and held accountable. The Bureau of Labor Statistics houses the largest and critical component of the current system, the Federal-State Cooperative Statistical Programs. It is this cooperative system upon which I believe we should build.

Building upon the Federal-State Cooperative Programs means transforming a contracting system in which the BLS contracts with the States, my office, for example, to supply it with data into a cooperative agreement that is dynamically responsive to local needs.

State LMI directors are on the front line in responding to user demand for information and are intimately acquainted with the ways in which the labor market is changing and the ways in which the current measurement systems need modifying to capture that change.

The Bureau of Labor Statistics, however, is insulated from changing grassroots needs. In order for State labor market information offices to adapt to changing need and be accountable to their State and local customers, mutual accountability must be built into the Federal-State relationship.

I am proposing that a new institutional structure formally involve State LMI offices with the Bureau of Labor Statistics in planning what data to collect, in deciding which improvements to make, and in exploring how to meet new needs created by an evolving labor market.

Building on the Federal-State cooperative relationship also means jointly planning a system for the future.

In addition to its expertise, the BLS has the advantage of having no responsibility for direct operation of employment and training programs. This independence from program operation is a prerequisite for objectivity as an evaluator of program operations.

An expanding function for State LMI operations will be the process of unemployment insurance wage records and other evaluation mechanisms to assess program performance by vocational schools, community colleges, and other training entities. Building upon the Federal-State cooperative agreement means building on the credibility of independence.

Accountability demands a clear mandate and a matching funding stream. The new system must have a mandate for State and local data. This means that Congress must be explicit about the fact that it needs more than just national data to carry out its functions.

Today BLS sees its mandate as limited to the production of national data. This limitation must be lifted and a new direction clearly established.

Second, accountability requires consolidation of funding streams. State LMI directors are constantly juggling Federal program year and Federal fiscal year grants from a myriad of sources to come up with one coherent program that makes sense at the local level. Clearly, the present system can be consolidated into a more effective, accountable, and rational instrument of Congress.

Mr. Chairman, these ideas are outlined in a bill draft proposal that has been presented to your staff. That bill draft proposal is authored by the Northeast and Midwest Institute and, I believe, will be shortly introduced by Senator Jeffords.

[The prepared statement of Mr. Gallagher follows:]

Subcommittee on Postsecondary Education, Training, and Life-Long Learning

Testimony Summary: Labor Market Information Consolidation and Accountability

Tom Gallagher
Manager, Research and Planning
Wyoming Department of Employment
March 23, 1995

Employers use labor market information to make objective business decisions. Workers use labor market information to make rational choices about training opportunities. Educators use it to decide whether or not a new set of course offerings will lead to positive labor market outcomes for students and employers while elected officials use labor market information to evaluate the socio-economic consequences of policy choice. And yet, federal responsibility for objective statistical information about the labor market for the nation, the states and local communities is dispersed among a variety of federal agencies. These agencies lack a common agenda, duplicate effort, and find service to communities if recognized at all to be incidental to their routine operations. In this environment the access of employers, students, workers, policy makers, and educators to sound, objective and pertinent information they need to make the right labor market investment the first time is for the most part denied. Labor market information directors have come to consensus on the types of products local communities need. I, and many others, also believe that we need to organize the work of the federal government into an accountable, coherent program of effort, aimed at meeting user need, and that has a rational and efficient funding stream. This recommendation is found in draft legislation prepared by staff of the Northeast-Midwest Institute and provided to your staff. Thank you for this opportunity and your time.

Mr. Chairman and Members of the Committee, my name is Thomas Gallagher and I am the director of labor market information (LMI) for the state of Wyoming. Thank you for the opportunity to testify before you today about ways to consolidate and bring accountability to the nation's labor market information system.

Labor market information is the product of an applied science of measurement and has as its objective the description and prediction of the supply of and demand for labor.

Employers use labor market information as a tool in business, tax, and inventory planning, in the appraisal of property, in market analysis, location decisions, and in developing an objective understanding of labor supply issues affecting productivity and profitability. Policy makers use labor market information to anticipate and analyze the consequences of state and national fiscal, tax, and programmatic choices. Workers and students use labor market information to make reasoned choices concerning training alternatives and to facilitate job search. And finally, as members of this committee recognized in School-to-Work legislation and in report language, educators use labor market information to plan and develop curriculum, and rely upon LMI to develop comprehensive and objective information about the needs of employers and students moving into the work environment (Report 103-345, pp 25-26).

Every piece of federal legislation which has sought during the last decade and a half to cope with the negative labor market consequences of an increasingly integrated international economy, and the positive consequences of rapid technological change, has turned to labor market information as a pivotal component in the solution to worker dislocation and in planning for the growing demand for workers with new skills. While state labor market information agencies are under increasing pressure to meet local need for objective information, we are faced with a national "system" which can best be described as a hodgepodge of data programs designed for a far different labor market environment from the one in which we now work, gaping holes in the inventory of products sought by employers, policy makers, workers, and educators; a dispersion of authority among federal agencies fostering buck passing and irresponsibility, and a mismatch between the demands for information and the funding to produce it. You have a tremendous opportunity to rationalize this mess, and I believe that history requires a streamlined and modernized system accountable to Congress and to its users. I urge you to be bold in the use of your creativity as you redesign a labor market information system for the information age.

During the winter of 1993-94 labor market information directors from across the country participated with the Bureau of Labor Statistics in a Congressionally-mandated comprehensive review of the existing labor market information system. That review established that, among state LMI directors, there is broad consensus concerning the kinds of information needed: local, timely information on the supply of and demand for workers by occupation and wage rate, industrial description and analysis of local markets and trade areas, work force demographics and employment and earnings histories, information about the availability of training and education services and the track record of these training providers. As I have indicated earlier, Congress through prior legislative initiative, has been part of this consensus building process over the information needed about the labor market. Not only are LMI directors eager to provide this information, the local availability of labor market information has become an increasing economic imperative for the community of employers and workers whom we serve. Thus, the issue is not one of defining needed statistical products and services, the issue is how do we put in place an organizational structure to meet those needs.

As a result of last winter's comprehensive review, I believe that LMI directors would concur with the idea that for reasons of efficiency and accountability what is needed is a consolidation of responsibilities for a national, state, and local labor market information system into a single federal entity with a unified funding stream that allows Congress to track spending and review performance. It is also evident, however, that the present fragmented federal system of LMI is insulated from the local customers it is supposed to serve and from the fundamental transformations in the labor market that it is supposed to measure. In order to address this problem, LMI directors are most likely to endorse centralizing responsibility for labor market information in a federal agency and at the same time requesting the establishment of a dynamic mechanism designed to share the authority for its operations. I believe this approach is consistent with the bottoms up strategy employed by the private sector as it adapts to a changing global environment. What has been missing, then, is the institutional structure needed to develop and sustain a comprehensive national system of labor market information that is locally responsive.

Specifically, I am recommending that one federal agency be put in charge and held accountable. Among the federal agencies, including the Employment Standards Administration, the National Occupational Information Coordinating Committee, ETA, and BLS, the Bureau of Labor Statistics houses the largest and critical component of the current system -- the federal-state cooperative statistical programs. It is this cooperative system upon which I believe we should build.

Building upon the federal-state cooperative programs means transforming a contracting system, in which the BLS contracts with the states - my office for example - to supply it with data, in to a cooperative agreement that is dynamically responsive to local need. State LMI directors are on the front line in responding to user demand for information and are intimately acquainted with the ways in which the labor market is changing and the ways in which current measurement systems need modifying to capture that change. BLS, however, is insulated from changing grass roots needs. In order for state labor market information offices to adapt to changing need and be accountable to their state and local customers, mutual accountability must be built in to the federal-state relationship. I am proposing that a new institutional structure formally involve state LMI offices with the BLS in planning what data to collect, in deciding which improvements to make, and in exploring how to meet new needs created by an evolving labor market.

Building on the federal-state cooperative system also means jointly planning a system for the future. In addition to its expertise, the BLS has the advantage of having no responsibility for the direct operation of employment and training programs. This independence from program operations is a prerequisite for objectivity as an evaluator of program operations. An expanding function for state LMI operations will be the processing of Unemployment Insurance wage records and other evaluation mechanisms to assess program performance by vocational schools, community colleges and other training entities. Building upon the federal-state cooperative agreement means building upon the credibility of independence.

Accountability demands a clear mandate and a matching funding stream: The new system must have a mandate for state and local data. This means that Congress must be explicit about the fact that it needs more than just national data to carry out its functions. Today, BLS sees its mandate as limited to the production of national data. This limitation must be lifted and a new direction clearly established. Second, accountability requires consolidation of funding streams. State LMI directors are constantly forced to juggle multiple grants between federal program and federal fiscal years to cobble together a range of federal contracts into a coherent state LMI program that is relevant at the local level. Clearly, the present system can be consolidated in to a more effective, accountable, and rational instrument of Congress.

Mr. Chairman, the ideas I have outlined here are embodied in a legislative draft that I have supplied to your staff. Developed by the Northeast-Midwest Institute, this draft emphasizes consolidation and accountability as a complement to the workforce development legislation your Committee will be considering. I commend it to your attention.

Thank you, I would be glad to answer any questions you may have.

3/23/95

Chairman McKEON. Thank you very much.

Mr. Vanderford.

STATEMENT OF ROY VANDERFORD, PRESIDENT, INDIANAPOLIS NETWORK FOR EMPLOYMENT AND TRAINING

Mr. VANDERFORD. Thank you, Mr. Chairman.

I have got to first admit to being a C–SPAN junkie, and my first inclination is to ask for permission to revise and extend my remarks, but you have my written statement, and I will try to summarize fairly briefly what is in there.

I am Roy Vanderford. I am President of INET, Indianapolis Network for Employment and Training. At least that is what I claim to be. Technically there is no INET. INET is a name we put on a building. I put it on my business card; a number of us do, but it is a collection of a good bit of bureaucracy under one label so that we can try to keep the community from being confused by all of the changes that occur from time to time.

Let me briefly say what we have developed, what we are going to do July 1 of this year, and what we think that sets the stage for, which I hope can be some guidance to you, a possible model for you, and some ways some of this can work at the local level.

In 1989, the Private Industry Council, who is my actual boss, created the name INET. It was nobody's current name. It was created so that it did not look like a takeover of any system over another system. It is a very neutral name, and we think the network part of it was very important because that is what it is, a front door to a network of services.

We currently operate with over 25 fund sources, which is quite a bit of an expansion from where we started. It was originally pretty much the Employment Service and JTPA funding.

What we have emphasized under the INET umbrella is single access sites, single marketing. We do not market fund sources. We market services. The service needs of employers and job seekers tend to remain fairly constant.

We also, probably the most innovative part of it, created somewhat of a single management structure where we have blended State employees with local employees under a concept we call functional management so that in some cases I have local employees supervising State employees, who supervise local employees.

Now, when things start to fall apart, they kind of revert to their formal structures to solve problems, but for day-to-day management, operation, work flows, those kinds of things, we try to operate as a single management structure.

We have also taken our core centers and, with some flexibility, tried to establish special one-stop centers when needed. We have a couple of those. We moved staff to the Welfare Department so that they would not have to go anywhere, essentially creating a one-stop system within the welfare structure.

We are doing the same thing at Fort Harrison, where we have a fairly large defense grant to work with laid off workers there. So we try to maintain some flexibility.

Guiding principles have been fairly stable from a Private Industry Council perspective. We think the best social program is a job. We think this whole structure is supported by three legs: the governor, the mayor, and the Private Industry Council, and if any one of them is weakened, the thing starts to fall over.

We think the PIC ought to be the focal point for local policy. It is employer driven. It is politically neutral. It is often a bridge between changing administrations and differences between governors and mayors.

We think the functions of the Employment Service are an integral part. We view our offices as basically employment and training malls where the Employment Service is the anchor store, and local areas can add specialty shops as they desire, depending on their local needs.

We think the client's needs are paramount. Our main job is to hide the bureaucracy from the clients.

Now, July 1 we are going to change things a little bit, much in line with some suggestions made already. We are going to split our current staff, which is around 100. Our PIC staff will become a staff of under 20. We are changing the Private Industry Council to being the planning, policy brokering role, completely independent. We are spinning off our service provider so that it can compete with others for service provision.

I think the whole thing was stated probably most succinctly by Mayor Goldsmith, who said you cannot beat a pitcher and an umpire at the same time, and I said, sure, I can. I just tend to throw more strikes when I do that, and I think that was exactly his point.

He clearly wants the Private Industry Council to become the umpire, the unbiased umpire, and to bring more potential pitchers into the system. So effective July 1, we will go to that split, and we hope then to move into some more aggressive work by both our service provider network and by the PIC.

The PIC has got to be able to answer some critical questions. What jobs go unfilled in our community and why? What people in our community go unhired and why? Why can't we just get them in the same room and everything is solved?

We have got to start addressing those in a lot more systematic manner with better labor market information.

Let me just say one other thing on what our guiding philosophy is as we enter this new order. We call it a work first philosophy. Many people are using that term right now. We are trying to use that as our internal guidance and also as our approach to other systems, particularly welfare, school systems, public housing systems.

We basically think the front door to all of these systems ought to be work. They ought to come into a job center. They ought to have a job plan. Welfare, public housing, a number of things ought to support that work and job plan.

We think we can help provide some guidance on how to do that, and that is where we intend to position ourselves.

Two things we should stress, I think, in closing. One, consolidation of programs is absolutely essential. I would like to get my time sheet back to the size of a postcard rather than three full size pages. That is how we manage all of this stuff right now.

The second thing is the governance structure. I think the governance piece is absolutely critical, and I would be happy to respond to questions later on that.

Thank you very much.

[The prepared statement of Mr. Vanderford follows:]

STATEMENT OF
ROY L. VANDERFORD
PRESIDENT
INDIANAPOLIS NETWORK FOR EMPLOYMENT AND TRAINING

BEFORE THE HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON POSTSECONDARY EDUCATION,
TRAINING AND LIFELONG LEARNING

MARCH 23, 1995

Mr. Chairman and Distinguished Members of the Subcommittee:

I appreciate the opportunity to appear before you today to discuss the experiences of the Indianapolis Network for Employment and Training (INET) and the City of Indianapolis in establishing one-stop-centers for employment and training in our city. My name is Roy Vanderford and I serve as President of INET. I say that I'm President of INET, but INET really isn't an organization at all — it's a name on our one-stop centers. In my remarks I will briefly address three items:

- What we built under the INET logo;
- What we're changing July 1, 1995, and
- Where we plan to go with our new structure.

WHAT WE BUILT

In 1989, The Indianapolis Private Industry Council (IPIC) created the name INET for its service offices. IPIC remained a private tax exempt corporation, with volunteer business and community leaders serving as its board of directors, but the new name reflected the decision to begin a systematic process of weaving together disparate employment and training programs into a single, integrated delivery system. Today, the INET system emphasizes ease of access and tailoring services to meet the needs of both employers and job seekers. While comprised of separately funded and authorized programs, the system projects a single image to the community. IPIC currently has over 25 revenue sources that support the INET system. INET is also characterized by its policy of active outreach into the community and its effective use of marketing and public relations to establish a high profile for employment and training services in the Indianapolis area.

Major initiatives under the "INET umbrella" have included:

- **SINGLE ACCESS SITES** - In 1989, under the leadership of IPIC, INET service centers combined JTPA, employment service, unemployment compensation, veterans training, welfare training and literacy funding under one roof. In program year 1990, the INET centers expanded offerings to include public, self-service Job Information Centers for job seekers and job task analysis for employers. During program year 1994, the Indiana Department of Workforce Development (IDWD) and IPIC collaborated on a project to create the "Office of the Future" at the INET Eastside service center. This project focuses on further integration of staff and procedures, combining formerly separate forms and computer systems. The planning for this new office was done by a joint team of state employees, local employees, and employee union representatives.

- **SINGLE MARKETING** - Since 1989, IPIC has systematically brought as many resources as it can gather under one marketing logo — INET. IPIC recognized that the mix of fund sources and funding levels will be continually changing, but the basic needs of our clients remain fairly stable. Job seekers need an efficient matching system for their existing skills and access to any funds that might be available for skill building. Employers need workers meeting their skill requirements or means of creating those skills if they don't currently exist. Thus, the INET logo is used to market those services rather than marketing the funding sources.

- **SINGLE MANAGEMENT STRUCTURE** - Perhaps the most significant accomplishment has been the integration of state and local staff through a "functional management" approach. This allows staff of one personnel system to supervise and/or be supervised by staff of another personnel system. Day-to-day management is accomplished within the blended system while formal performance evaluation and disciplinary responsibility is retained by the employee's personnel system. The result is a local system that is much more responsive than one that is simply co-located. IPIC, per its agreement with the state, assumes local authority for day-to-day client flow and work assignments.

- **WELFARE COORDINATION** - In 1992, IPIC and the Marion County Welfare Department combined forces to create a full-service site for welfare clients in need of employment and training services. Under the JOBS and Food Stamp employment and training programs, welfare staff and INET service center staff combine forces to present joint orientations and client management. INET service centers also work with employer groups to assist them with creative approaches to hiring welfare clients.

- **LAID-OFF WORKERS** - IPIC maintains a rapid response capability for all Indianapolis plant closings and goes on site to connect affected workers to the full range of available assistance, including unemployment compensation. Of particular note is IPIC's close working relationship with the Business and Professional Exchange (BPE), a self-help group for laid-off professionals and middle managers. IPIC assisted in acquiring funds from the state to establish the Re-Careerment Center as a training arm of BPE. In 1994, IPIC obtained a special DOP grant for servicing workers laid off at Fort Benjamin Harrison. Service provided to most dislocated workers is through the INET one-stop service centers.

From the beginning of our one-stop center effort, IPIC has held several core beliefs that have served us well:

- The best social program is a job. Meaningful employment both prevents and solves many social problems. At best, a job gives a person dignity, a sense of self-worth, and a ticket into our economic system. At worst, a job at least keeps you occupied and makes you too tired to get into trouble.

- The governance platform for employment and training programs is supported by three legs -- the Governor, the Mayor and the PIC. If any of these is weakened, the structure collapses.
- The PIC should be the focal point for community strategizing about workforce issues. While remaining well-connected to the agendas of the Mayor and Governor, the PIC can study issues, convene competing forces, and devise solutions in a less politically charged environment. The PIC can also help to smooth over administration changes in the Mayor or Governor's office, providing continuity in employer-based initiatives.
- The functions of the Employment Service must be an integral part of any one-stop site. A local one-stop site is best viewed as an employment and training mall with the Employment Service activity as a required anchor store, but with the flexibility to add numerous speciality shops based on local priorities and established relationships.
- "Economic development" is the sum of business development and workforce development in a community. Both components require a sense of local ownership to be effective. A lack of such ownership will cause them to be viewed as outposts of state or federal government and not truly integrated into the fabric of the community.
- The clients' needs should be paramount. The staff at the center need to hide bureaucratic underpinnings as much as possible and mix and match fund sources, as necessary, to meet each client's needs.

WHAT WE'RE CHANGING JULY 1, 1995

We're pretty proud of what we've built over the past five years, but we think that advancing to a higher level now requires a structural change.

On December 7, 1994, after six months of intensive development work with Mayor Stephen Goldsmith and his staff, the Indianapolis Private Industry Council approved a restructuring plan to go into effect July 1, 1995.

The primary purpose of the plan is to separate the policy role of the PIC from the service delivery role of service providers. As stated most succinctly by Mayor Goldsmith, "you can't be the pitcher and the umpire at the same time." He clearly wanted the PIC to be the unbiased umpire. Key elements of the plan are:

- IPIC becomes both grant recipient and administrative entity to streamline processing of funds and to reduce any duplication of functions;
- IPIC takes on a broader role as the Mayor's strategist on workforce issues in the community;
- IPIC will, effective July 1, 1995, divest itself of all direct client service functions in order to firmly establish its "independent broker" status;

BEST COPY AVAILABLE

- IPIC will assist its current service delivery staff in the formation of a new, independent organization that will then be able to compete with others for IPIC contracts to deliver client services including management of the INET service centers;
- IPIC will continue its commitment to development of one-stop centers, but will select operators via an open, competitive process rather than through direct staffing;
- the City of Indianapolis will retain a small Workforce Development Division which will focus on the relationship of workforce development with business development and on the City's role in joint planning with IPIC; and
- IPIC, via contract, will continue to offer public access to services under the "INET" logo. IPIC will also negotiate with the State of Indiana to define the role of state employees (Employment Service, Unemployment Compensation, Welfare, Vocational Rehabilitation, and others as necessary) in the one-stop service center operations. IPIC's priority will continue to be promoting available services while hiding the underlying bureaucracy from the public.

WHERE WE PLAN TO GO WITH NEW STRUCTURE

Freed from the constraints and perceived bias of direct service delivery, the Indianapolis Private Industry Council intends to move to a higher level of workforce research. We've always been viewed as the "jobs people," but we need to know much more about our local employment landscape than we currently do. We need to know, among other things:

- What jobs go unfilled in our community, and why?
- What people in our community go unhired, and why?
- Why can't we just put the unhired people in the same room with the employers with unfilled jobs?
- Which jobs seem to be stepping stones to better jobs, and which jobs seem to be millstones that cause people to sink back to welfare or unemployment compensation?
- How do we use our present abundance of entry-level jobs as apprenticeships for the next level rather than have them perceived as jobs to be avoided?
- Where and how should we use public resources to maximize our workforce potential?

We've also been viewed as the "job training people," but we need better quality information on training opportunities also. We need a constantly updated consumer report on quality of our local education and training institutions — with quality being primarily defined as graduates who are marketable to our employers.

We believe the separation between the PIC's policy role and the one-stop center's service role is analogous to the ways medical professionals typically go about treating diseases such as cancer. At our one-stop centers, we'll use best available treatment techniques. Some workforce diseases are highly treatable at low cost — others are high cost and high risk. Decisions must be made about the use of heroic measures at taxpayers' expense, just as in the world of medicine. At the PIC level, we'll be engaged in disease research, constantly looking for more effective, lower cost means of achieving economic health in our city.

As we move forward with better research and treatment, we also move forward with a very focused mission that we (and a number of others around the country) refer to as a Work First strategy. This strategy defines our internal approach and our desired relationship to many of our partners in the following ways:

- **WORK FIRST APPROACH TO WELFARE REFORM** - The front door to the welfare system should be an employment plan, with the welfare payments supporting, not competing with, that plan. The mission is to connect people with jobs so that they don't need welfare, not to connect people with welfare so that they don't need jobs.
- **WORK FIRST APPROACH TO ONE-STOP CENTERS** - One-stop centers must have immediate job placement as a first priority. With a "work first, train second" approach, employers' needs for entry-level workers and employees' needs for higher wages can be addressed simultaneously. This requires more creative approaches in combining the Employment Service job pool (mostly entry-level jobs) with training vouchers from multiple sources.
- **WORK FIRST APPROACH TO SCHOOLS** - Too many students are languishing in classrooms where they see no connection between their courses and their futures. Schools and employers should embrace the idea of early appropriate work attachment for students. The only way to learn about work is by working. The only way to advance is by education. Apprenticeship-like ladders will meet the needs of employers for quality workers and of educators for engaged students. This must be our approach for all students — to do otherwise is to stigmatize. College-bound students are also vulnerable and often experience early college failure because of lack of focus.
- **WORK FIRST APPROACH TO PUBLIC HOUSING** - Much like the approach to the welfare system, the front door to public housing must be an employment plan. The goal is not to get people into subsidized housing, but to get them employed at a level that eliminates the need for subsidy. When we do house people at public expense, it should be a university-like setting — housing is a means to education, graduation and employment. We should also expect residents to hold work-study jobs to defray the cost of tuition and housing.
- **WORK FIRST APPROACH TO EMPLOYERS** - We pledge to work with our local employers and economic development partners to create good jobs, to create good skills in our workers and to systematically examine the role of low-wage jobs in our community. Raising wages is the route to raising workers' standard of living. Wages should not be raised simply by "wage inflation," but rather through elimination of some low-wage jobs through technology and transformation of other low-wage jobs through workplace restructuring and re-invention. While some menial jobs will always exist (and, in fact, can provide an incentive for further education), it is essential that we have skill layers in our community that enable us to live up to the promise of higher wages through higher education.

You should note that we don't view work first as work only. We still believe in education. We still believe that, in most cases, higher wages are going to people with higher skill levels. What we do believe is that a job should be the front door to most social services and education systems, not the back door.

The idea of a work test prior to receipt of benefits is well-grounded in the history of charitable giving in the United States. It is not unreasonable to question the motives of someone who can work, but chooses not to, and then expects subsidies. It is also not unreasonable to question the motives of a government that can require work as a requirement for benefits, but chooses not to.

Finally, let me offer my support to the "Guiding Principles for Establishment of a Comprehensive and Consolidated Workforce Preparation and Development System" that has been submitted to you by the U.S. Conference of Mayors and other public interest groups on behalf of our local networks. Specifically, the consolidation of funding streams is critical. One of the biggest challenges we have in maintaining a one-stop system is cost allocation with over twenty-five independent fund sources. Our time sheets in the early 1980s could be done on a post card -- they are now three full-size sheets of paper. A lot of energy currently spent on bureaucracy could be better spent on client service. The other critical element is governance. The three-legged balance of power that I described earlier is still an appropriate governance model, in my opinion. Many of the legislative proposals kick out one, two, or, in some cases, all three of the legs.

From an Indianapolis perspective, we would take the guiding principles one step further and call for a clean separation of functions between a local "workforce council" (under whatever name) and the service delivery structure, which would be brokered by such a council.

Thank you for your time. We appreciate the energy you are putting into this topic. I would be happy to respond to any of your questions, now or in the future.

Chairman McKEON. Thank you.

Mr. Johnson.

STATEMENT OF CALVIN JOHNSON, AFL-CIO

Mr. JOHNSON. Thank you, Mr. Chairman.

I am Calvin Johnson, Legislative Representative for the AFL-CIO.

In today's competitive global economy, it is clear that a well educated, well trained work force is essential to the Nation's economic security. The AFL-CIO believes that in order to achieve this goal, a comprehensive national training system is essential.

The critical question which this committee must address as it evaluates the variety of proposals to restructure the job training system is to define the appropriate roles for Federal, State, and local governments and labor and business in education and training. For too long the United States has lagged behind the other industrialized nations in public, as well as private, investments in training. However, we have begun to build a coherent structure through recent legislation, such as Goals 2000 and its industry skills standards, as well as the School-to-work Opportunities Act.

It is vitally important that we continue to develop a national training system where the Federal Government sets high standards of performance and accountability and a program fully grounded in local labor market needs.

It is also essential that the program develops policies which will promote upgrading the skills of currently employed workers, both front line workers and managers. It will take the combined resources of the public and private sectors, business and labor, to make our training system the best in the world.

We believe a restructured system should strive to achieve the following goals. It should be effective. It should be accountable, and it should be comprehensive.

The restructured system should be responsive to the needs of the total labor market, both the skill demands of employers and the career development plans of workers. Just as the needs of local labor markets will vary, the needs of various segments of the work force will also. A one-size-fits-all approach will not work.

Based upon the experience of unions administering education and training programs with employers, we know it is important to give individual workers control and choice over their training. Individual training grants may be more effective with some work force segments than others, depending on their specific skill needs and economic situation.

For most unemployed workers with family responsibilities, mortgages and other bills, participating in classroom training is impossible unless they get income support. For these workers, a grant gives little help in balancing immediate family survival and long-term employment security.

A restructured training system must address the multiple barriers to good jobs that many workers face. Recently the national adult literacy survey has documented that upwards of 90 million adult Americans will face literacy related problems if they worked in our most advanced work places.

At the same time, we must insist that training providers meet the highest standards of excellence and require the training content be relevant to the needs of trainees.

A restructured system must be accountable to the taxpayer. Public sector agencies have a unique and exclusive role to play to achieve this goal. They should play the role of the honest broker providing objective, good quality information, vocational assessment and referral, job counseling, job search assistance, and job development.

A revitalized and accountable employment service should be the centerpiece of efforts to upgrade assistance to unemployed workers. Since it does not itself operate training programs, the Employment Service can make objective assessments about the quality of local education and training providers and the appropriateness of referrals.

We must guard against abuses that have in the past led to destructive competition and business relocations, pitting one community against another. An effective complaint and grievance procedure at the local, State, and Federal level should be established so that abuses can be discovered and handled at an early stage.

A system of accountability will require a national framework of skill standards and program performance standards. State-of-the-art information systems must be broadened at the Federal, State, and local levels to provide such sound monitoring of labor market information, as well as outcome measures of performance. Standards for learning gains, educational achievements, job placement, and earnings increases must be made part of the credentialing process for all training institutions.

The voluntary industry skill standards initiative established by Goals 2000 is a critical element of this new system.

The system should pay close attention to the special needs of dislocated workers and young people in school. The public school system must play an integral role in a coordinated work force preparation system. A redesigned school-based component of the system should tie vocational education to other reform methods and focus on raising the academic, technical, and employability skills for students.

This system should offer career awareness and improved counseling to students beginning in the early grades. States should be supported to establish clear academic and occupational standards based in part on industry oriented standards.

Standards should be tied to assessment and credentialing system, curricula and instruction aligned to these standards and professional development provides so that the school staff can deliver integrated academic and vocational instructions. States and local school districts should be given the flexibility to develop the kinds of systems, programs, and course offerings that meet high standards.

America needs to do a better job of helping dislocated workers, especially those displaced by government policies in trade, defense downsizing, and the environment. Benefits, as well as program services, should be upgraded with the aim of providing displaced workers with the necessary training, income support, and placement services to carry them through to their next job.

Workers should qualify for continued income support following the end of their unemployment insurance to enable them to complete training.

The AFL-CIO, as an institution representing some 90 national and international unions with 14 million working people as members, supports efforts to make the Nation's training system more effective. We welcome the efforts of this committee, and we look forward to working with you on training related legislation that will be good for American workers.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Johnson follows:]

95-10

Testimony of Calvin P. Johnson, Legislative Representative,
American Federation of Labor and
Congress of Industrial Organizations
to the Subcommittee on Postsecondary Education, Training and
Life-Long Learning of the
House Committee on Economic and Educational Opportunity
on a national training system

March 23, 1995

In today's competitive global economy, it is clear that a well-educated, well-trained workforce is essential to the nation's economic security. The AFL-CIO believes that in order to achieve this goal a comprehensive national training system is essential.

We are pleased that the Administration as well as the Congress recognize that the federal government has a role and responsibility to continue building a national training system unequalled in the world.

The critical question which this Committee must address as it evaluates the variety of proposals to restructure the job training system is to define the appropriate roles for federal, state, and local governments, and labor and business, in education and training.

For too long the United States has lagged behind other industrialized nations in public as well as private investments in training. However, we have begun to build a coherent structure through recent legislation such as Goals 2000 and its industry skills standards as well as the School-to-Work Opportunities Act. It is vitally important that we continue to develop a national training system where the federal government sets high standards of performance and accountability in a program fully grounded in local labor market needs. It is also essential that the program develops policies which will promote upgrading the skills of currently employed workers: both front-line workers and managers. It will take the combined resources of the public and private sectors, business and labor to make our training system the best in the world.

We believe a restructured system should strive to achieve the following goals: (1) it should be effective; (2) it should be accountable and it should be comprehensive.

Effectiveness

A restructured system should be responsive to the needs of the total labor market, both the skill demands of employers and the career development plans of workers. Just as the needs of local labor markets will vary, the needs of various segments of the workforce will also vary. A one-size-fits-all approach will not work.

We are reviewing proposals to provide training grants to individual workers. Based on the experience of unions administering education and training programs with employers, we know it is important to give individual workers control and choice over their training. We also grappled with maintaining high quality and accountability in our programs. For these reasons, we want to give these proposals further study, but we want to raise a few concerns.

For example, individual training grants may be more effective with some workforce segments than others, depending on their specific skill needs and economic situation. For most unemployed workers with family responsibilities, mortgages, and other bills, participating in classroom training is impossible unless they get income support. For these workers, a grant gives little help in balancing immediate family survival and long term employment security.

In addition, the needs of older workers, as recognized by Title V of the Older Americans Act, should be addressed in any comprehensive training system.

A restructured training system must address the multiple barriers to good jobs that many workers face. For example, the recent National Adult Literacy Survey has documented that upwards of 90 million adult Americans would face literacy-related problems if they worked in our most advanced workplaces. At the same time, we must insist that training providers meet the highest standards of excellence and require that training content be relevant to the needs of trainees.

We oppose vouchers for use by school-aged youth. School-aged youth should be encouraged to obtain their initial education in public schools and the federal government should not provide incentives for them to leave school early to obtain narrow skill training. Federal legislation should continue to support public schools to infuse more academic skills into their occupational education programs and state systems should continue to forge strong linkages between secondary vocational programs and postsecondary programs, such as Tech-Prep and registered apprenticeships. These kinds of school-based programs offer youth their best opportunities to gain the skills needed in emerging work places and the foundation necessary to take advantage of lifelong training and education--without the need for remediation.

Accountability

A restructured training system must be accountable to the taxpayer. Public sector agencies have a unique and exclusive role to play to achieve this goal: they should play the role of the "honest broker," providing objective, good quality information, vocational assessment and referral, job counseling, job search assistance, and job development.

A revitalized and accountable Employment Service should be the centerpiece of efforts to upgrade assistance to unemployed workers. Since it does not itself operate training programs, the Employment Service can make objective assessments about the quality of local education and training providers and the appropriateness of referrals.

A restructured training system should ensure that Federal investments in training not substitute for investments employers would have made anyway. We must guard against abuses that have in the past led to destructive competition and business relocations, pitting one community against another. An effective complaint and grievance procedure at the local, state, and federal level should be established so abuses can be discovered and handled at an early stage.

In order to help workers know what to be trained for and where to apply for jobs when they complete their training, all employers should be required to list their job openings with the Employment Service.

A system of accountability will require a national framework of skill standards and program performance standards. State-of-the-art information systems must be broadened at the federal, state and local level to provide sound monitoring, labor market information as well as outcome measures of performance. Standards for learning gains, educational achievements, job placement and earnings increases must be made a part of the credentialling process for all training institutions. The voluntary industry skills standards initiative established by Goals 2000 is a critical element of this new system.

Comprehensiveness

There must be sufficient funding to meet the needs of all segments of the workforce. At a minimum, any proposal to give individual grants to unemployed and dislocated workers should provide training and education benefits equal to what veterans and national service participants currently receive.

A restructured training system should coordinate a diversity of training approaches. Besides serving employed workers as well as the long-term unemployed, the system should pay close attention to special needs of dislocated workers and young people in school.

The public school system must play an integral role in a coordinated work force preparation system. A redesigned school-based component of the system should tie vocational education to other reform efforts and focus on raising the academic, technical and employability skills for students. This system should offer career awareness and improved counseling to students beginning in the early grades. States should be supported to establish clear academic and occupational standards based in part on industry-oriented standards. Standards should be tied to assessment and credentialing systems, curricula and instruction aligned to these standards and professional development provided so that school staff can deliver integrated academic and vocational instruction. States and local school districts should be given the flexibility to develop the kinds of systems, programs and course offerings that meet high standards.

Dislocated Workers

America needs to do a better job of helping dislocated workers, especially those displaced by government policies in trade, defense downsizing, and the environment. Benefits as well as program services should be upgraded, with the aim of providing displaced workers with the necessary training, income support, and placement services to carry them through to their next job. Workers should qualify for continued income support following the end of their unemployment insurance to enable them to complete training.

There may be reasons to combine some dislocated worker programs, but Trade Adjustment Assistance should be retained as a distinct program with substantial improvements in benefits, eligibility, and funding. We believe the 30-year-old commitment of special attention to the needs of workers displaced by government trade policies should be continued. If other programs for displaced workers are combined, TAA and NAFTA-TAA should retain their separate status and should be improved.

School-to-Work

The AFL-CIO supports the planning and implementation efforts now under way in the states to help students develop a sound foundation of academic skills and prepare for the world of work. We believe the larger education reforms embraced in 1990 by the reauthorized vocational education act should be continued and expanded. Many AFL-CIO affiliates are already involved in such programs.

As the School-to-Work Opportunities Act now provides, labor consultation and input are essential in planning and implementing these programs. Employer participation in building a new school-to-work transition system is necessary but not sufficient. The participation and support of front-line workers and their unions are also vital to achieve the goals of this new initiative.

Labor Participation

Beginning with our apprenticeship programs, unions have been increasingly successful in turning workplaces into learning places. Even in areas with high unemployment unions have convinced employers to make investments in basic skills education and occupational training. This argument has been successful even where it runs counter to the employer's short term interests.

Witness the outstanding success of the United Auto Workers and the major auto companies who began their joint training programs during the worst days of the 1980s when unemployment was at record levels. Mass layoffs and corporate restructuring also prompted the joint training program between the Communications Workers of America, the International Brotherhood of Electrical Workers and AT&T which have recognized the benefits of "collective achievement through individual empowerment."

Unions have provided increased leverage through collective bargaining that now results in hundreds of millions of dollars being spent on training and education for front-line workers as well as new apprentices. In many cases these funds have been coordinated with public resources to bring young people and disadvantaged adults into the workplace through skill training. We can show you outstanding examples where the collaboration between unions and companies even in economically distressed areas has brought about good training and good jobs.

Labor participation in our nation's training system is more important now than ever. The expertise unions have gained from directly providing training, negotiating training funds, and helping workers to make informed choices about careers and jobs must be brought to bear in restructuring and delivering future training services. Unions have a keen understanding of the learning needs of workers. Through our apprenticeship programs we have determined the best methods for combining classroom and on the job learning so that workers' skills are at world class levels.

Full and continuing labor participation, involvement, and input are absolutely essential in all training-related areas. In addition such participation is vital because it convinces workers that they have a stake in the process and the results.

We recommend the establishment of tripartite governance structures at the federal, state and local level where labor, business and community leaders can help guide the new training system. These governing structures must have a role in determining specific eligibility requirements, selecting and certifying training providers and contributing to the development of up-to-date and accurate job growth information. Labor involvement in these structures can help to make sure that public funds do not substitute for those that should come from the private sector and can assure that abuses of the public trust do not occur.

Trade unions have important responsibilities for supporting, protecting, and promoting training and education programs for workers. But employers and local, state, and federal governments also must give more adequate support to job-related education and training. Private and public sector cooperation in these areas is desirable and necessary. Labor organizations should have an equal voice with employers in such cooperation.

Conclusion

The AFL-CIO, as an institution representing some 90 national and international unions with 14 million working people as members, supports efforts to make the nation's training system more effective. We welcome the concern of this Committee, and we look forward to working with you on training-related legislation that will be good for American workers.

More training to raise the quality and the skills of workers is essential, but it will be an exercise in futility if the nation gets more skill training without more jobs and without higher pay in restructured high-performance workplaces where workers are empowered to participate and make their full productive contribution.

Chairman **McKeon**. Thank you very much.

Mr. Williams.

Mr. **Williams**. Thank you.

Mr. Carnevale, toward the end of your testimony you made some suggestions with regard to being able to get better information in order to make predictions and have the system learn, and you suggested that among those important pieces of information would be the salaries of placed trainees.

Would you require their permission? You see where I am going with this. A person's salary is a proprietary matter. I worked around a job training program before coming here, and we were always confounded with the problem of protecting people's rights not to have their salary known forever, but we also needed to know who got a job and how much money they were making.

Talk to us a little about that dilemma.

Mr. **Carnevale**. This brings us to the UI wage records. The reason I suggest we use UI wage records, which gives salary and employer, and in some States it also gives industry, I would urge that we ask employers that they also give us industry; the reason I point toward them, first of all, is because they provide an independent assessment of program. The data is already collected. That is, individuals and companies already provide this data to the government on a quarterly basis. The data is used for calculations of employer contributions in the UI system. The data is used increasingly for other public purposes with all of the appropriate protections.

That is, in the case of our own work with these data, we have agreements with the States with which we work that protect the confidentiality. The data would have to be stored in some place, as is the case in many public programs now, with appropriate protections both for the individual and for the employers, but it is already being done, and the information is used for public purposes already.

Mr. **Williams**. But the information that is now being collected is being done in a gross manner, not collected and identified as to the individual earning the precise amount of money. If we are going to determine whether or not job training works from the standpoint of our people being placed and how much money is that person earning, then we have to move from a gross collection, in which the individuals cannot be identified, to specifically identifying the wages of a given person. There is the dilemma.

Mr. **Carnevale**. The data is collected on the basis of individual earnings, and you can track individuals by social security number, and it is commonly done. We have done work for the last six or seven years for which we do that in 13 States.

If I have an individual's social security number and they have been in receipt of public funds for anything, if it is a veteran program or a training program, a Pell grant, I can tell you what their earnings and employment history is. I do not go to the program and ask for the information.

Now, in the use of that data, obviously you do not report the data by individual name. You do it by income classes.

The other thing that is powerful about this, incidentally, is that it gives you the flow of jobs from the local communities all the way up to the nation. Barring the collection of direct information from employers on job openings, this is the most powerful data set we have to predict where the jobs are.

Given econometric techniques and given information on the flow in and out of jobs through UI wage records you can predict with very high certainty where the jobs will be in local communities, regions, and in the Nation, as well.

Mr. WILLIAMS. Thank you.

Mr. Johnson, as I recall, you administered, I believe, a Job Training Program. Which State were you in at the time?

Mr. JOHNSON. Missouri.

Mr. WILLIAMS. From that experience would you comment with regard to your thoughts about giving governors State block grants?

Mr. JOHNSON. Mr. Williams, I think that the bottom line has got to be making sure that funds get to the people who need to receive them, and that training gets to individuals. I think that unfettered money going into the States tends to lead to the problem of being overly politicized. Governors have the same kinds of pressures upon them; State legislatures have the same kinds of pressures upon them that we see here. Only they have a tendency to be a lot more intense at the State level than they are here at the Federal level, as intense as we believe pressures are around here.

I think that without some clear guidance as to how the money should be spent and where it should be allocated, it could have a tendency to get frittered if just put in a block grant and allowed to just be there without any kind of instruction from the Federal Government on the direction and placement of those funds.

Mr. WILLIAMS. Well, that is a concern that many people both at the State level, as well as here, also share.

Thank you, Mr. Chairman.

Chairman MCKEON. Mr. Roemer.

Mr. ROEMER. Thank you, Mr. Chairman, and it is nice to have the panel here before us this morning. It is nice to have you, Mr. Vanderford, from Indiana.

Let me start with a question from your testimony, sir. You talk about jobs being stepping stones to better jobs. Can you elaborate a little bit more on precisely those types of jobs that you have had success with in moving people from entry level positions to higher paying jobs? Do those jobs also involve good benefits, child care, or health care benefits? And, lastly, do they entail apprenticeship programs, as well, too?

Mr. VANDERFORD. Sure. It is interesting territory in Indianapolis right now. We have a lot of entry level jobs going unfilled right now. We have had a lot of conversations with groups of employers lately about how to solve that issue for them.

As a result, many of them are starting to look at new strategies. They are looking at how they have to add benefits, how they can collectively do child care in a geographic part of town, very good discussions going on.

They know they are competing with benefit structures. They are even giving hiring bonuses and things, but we are able to start talking to them in ways that five years ago we were not, ways about apprenticeship-like structures. How does this job lead to another job?

Medical jobs are a good example. In some of our major hospitals, they used to be very segmented and still are to a large extent where certain kinds of jobs were hired from certain pools, other jobs from other pools, without too much thinking about the mobility of that person within their own structure, how a person who starts in food service might wind up as a respiratory therapist some day if we can build those structures.

So I am happy to say there is some real good thinking going on with some employers. They have not all gotten it yet, but they are starting to catch on mostly for competitive factor reasons.

Mr. ROEMER. And you would say then there is a void or a gap in these entry level jobs precisely because of the lack of child care and health care benefits?

Mr. VANDERFORD. Well, it is a combination of things. We have had educational systems that have encouraged in some cases people to jump over those jobs. You do not want to be a hamburger flipper, do you?

Well, maybe you do. A lot of people do. A lot of people who are very high income now started as hamburger flippers. So we are trying to put this in a context of where you need to get to and how these structures can get you there.

When we say work first, and I need to make sure I am real clear on this, we do not mean work only. We do not mean work as an alternative to education and training. We mean it is the front door.

So it is truly a combination of things, and I think there is going to be a lot of pressures to change the structure of jobs, particularly entry level. A number of things in the service sector will lead toward elimination of some of those jobs, as we have had in manufacturing. We are starting to see some of that.

Mr. ROEMER. And what types of jobs are you having the most success with in terms of apprenticeship programs, and what kind of a relationship do you specifically have with schools like IVI Tech. in Indiana?

Mr. VANDERFORD. I do not know that there is any one job type I could cite as being the best for apprenticeship. Certainly there are some medical related that are working pretty well.

The relationship with IVI Tech. has been a very good one from a Private Industry Council perspective. We voucher most of our training. So we view our one-stop centers as decision points for clients and employers, for clients, for job seekers, for training seekers on how to best use their voucher, where to best use it. So our relationship has been pretty good.

We have spent a lot of money in the IVI Tech. system.

Mr. ROEMER. Another question before I move on to another witness. You have said in your testimony that you called for a clean separating of the functions between a local work force council and the service delivery structure. Can you elaborate a little bit on that? What do you mean by that?

Mr. VANDERFORD. Well, what we mean by that is that the people who do the brokering should not be also doing the delivering, that it has an inherent bias, and what we are setting up, we think it is going to.

I'm sure you know Steve Goldsmith, and it is very much in his way of thinking about how competitive factors can lead to better service quality at a better price, and that is exactly what we are trying to do, set up a system where there is free and open competition not only on the training side, but also on the management of one-stop centers.

So that periodically we will go through a process of selecting who is best to do that, and people will compete to do that.

Mr. ROEMER. Thank you.

Do I have time for one more questions, Mr. Chairman?

Chairman MCKEON. Yes.

Mr. ROEMER. Mr. Carnevale, in reading your testimony on page 6, you said in reinventing Federal training programs you have three solutions. Could you talk a little bit more about the second one? I have not heard a lot about the vouchers that empower individuals with choice. Could you tell me how you feel that that is an important ingredient in reinventing the Federal Government training programs?

Mr. CARNEVALE. Well, when you do not have much money and the fundamental purpose of the system is to deliver value to the clients, one of the sure ways to make sure the clients get service is give the money to the clients, and for some people that means cash out programs and give them an income transfer.

I believe, as I think many other people do, that this particular service is very, very valuable, especially now, that is, training and job search assistance and labor market services in general. So one reason to do that is you do not have much money. You want to make sure all of the money does not go into administration and bureaucratic sort of creaming the money off the top as it flows through the Federal system. Take most of the money and earmark it for the clients.

Secondly, by so doing, you give the client more control over the development of their own career plan in the sense that they will need counseling and other services. The worst thing you can do in a lot of cases is give them the money, empower them with the money, to use the jargon of the moment, without enabling them with information and career development services without enabling with other information that tells them who the best providers are of services, without enabling them with a neutral counselor who does not sell services and counsel at the same time so that they can help people choose among services.

By so doing, you make the client a partner in the process of reinventing the system. They thereby guarantee that the system is customer driven. They thereby guarantee that over time the system will adjust to the customer need because it will always be responding to the customer.

The Federal system, and I have been around it at some distance, but around it for a very long time, is a structure that changes constantly and our focus is always on the governance of that system. We keep rearranging the deck chairs, from MDTA, to CETA, to JTPA, with all sorts of changes along the way. The issue is always who owns it.

It is clearly irrelevant. The quality of the service has not changed over any of that time. In fact, it has gotten worse in many respects. The real issue here is building capacity into the system so that it can serve clients better, and in any modern institution, the way that is done is through information and the reduction of administration and by empowering the clientele.

I think that what we are really talking about here is modernizing Federal employment and training programs, and lots of other programs incidentally that are really way behind the state of the art in modern management and service delivery techniques.

Mr. ROEMER. Thank you.

Thank you, Mr. Chairman.

Chairman MCKEON. You, again, Mr. Carnevale, give a very good argument for vouchers and giving the money directly to the customer, but how do you prevent a recurrence of problems we have had in the past with vouchers of fly-by-night operations that arise and take advantage? How do you prevent that?

Mr. CARNEVALE. There are different kinds of information you have got to have in the system. Let me make up a scenario. I go to the Employment Service. I say the Employment Service because we need a place where the kinds of information I am talking about currently exist, and the Employment Service does provide that protection currently for private information from employers and employees.

I go to the Employment Service. They assess my eligibility. They counsel me. What they probably ought to say most of the time is that you do not need training, incidentally. You need some job search assistance. That is the most effective treatment. You do not want somebody going to training providers with their money and saying, "What do I need?"

Secondly, the person then says to me, "Well, we think you do need training." We determine that I want a two-year degree. Then they give me information from the various institutions in the community as to the effectiveness of their program, what their placement rate is, what the earnings and employability of their graduates are, again, using UI wage records, not their number, but the placement and earnings of their graduates are five and, say, somewhere down the road even 10 years after they have graduated and in which occupations.

You need an information system that judges the intermediate service, whether it is job search assistance, training, counseling, whatever it is that I want to get as an individual, and if you do not have that, we will have the same problem we have with Pell grants, which is that you give somebody a voucher, and you let them spend it oftentimes wherever they want, and they get hustled.

Chairman MCKEON. So if we are talking a two-year degree or a long time, but the time that it would take you to evaluate it, the fly-by-night people could be there and gone and already take the money.

Mr. CARNEVALE. You would not allow anybody to be a supplier in the system thinking like the G.E. would think in terms of certifying its suppliers. You would not let anybody be a supplier in the system unless they met your standard, first of all.

Chairman MCKEON. Who would set the standard?

Mr. CARNEVALE. I think that the standard ought to be set locally with some overview nationally. That is, we ought to decide that there are some broad-based standards, that is, institutions that teach or provide education ought to provide earnings, that is, placement rates as an obvious standard. Earnings of graduates is another obvious standard.

In the short haul, I would think that those would be pretty much standard that you would want everywhere. Locally it seems to me that people ought to be allowed to add standards. If there is a particular local interest in particular industries, and so on, they ought to be able to customize the standards to their own needs.

Chairman McKEON. One of the things that we have talked about and the thing that we are looking at here is taking 80 Federal job training programs and putting them into four block grants, and I know the concern is do you just send that money out without any kind of direction or what kind of direction do you place. How detailed do you get in direction?

Our purpose is to empower local providers close to the people that are going to be using the service instead of trying to solve all problems out of Washington. Get it right out to as close as you can to the people. As I said earlier, this is the eighth set of hearings that we have had, and we have had real good input from people such as yourself.

What kind of counsel would you give us as far as guidance that we would send with the block grants? What kind of oversight should come from Washington and what should come from the local area? Anybody.

Mr. CARNEVALE. I would do something excruciatingly simple at least in terms of what is done now. I would pick six services, and there are six or seven that are provided throughout these systems, from assessment, counseling, job search assistance, informal on-the-job training, formal training, degreed education. That is a pretty good set of them.

I would say, "Tell me what you spend the money on in those categories and forget all of the rest of the reporting requirements." No plans, nothing. The plans get sent to Washington and stacked up in a room anyway. Nobody uses that stuff. They are usually prepared by consultants, not the people who run the programs.

That would be the management information system I think you would require, and once you have done that, really the real issue there is to make sure that all of the money do not go into administration. I think that is really the first oversight issue, and there are huge inefficiencies in this system.

Chairman McKEON. Would you recommend a percent for administration?

Mr. CARNEVALE. I would not. I would get good information on what it was and then think about it later. It is obvious that it should not be 40 percent, and I think most of the time it is.

Chairman McKEON. Is it two percent?

Mr. CARNEVALE. I think it is more than two, but it is not more than eight to 10, depending on how you define it.

Chairman McKEON. In the School Lunch Program, we limited it to two percent.

Mr. GALLAGHER. Mr. Chairman.

Chairman McKEON. Yes.

Mr. GALLAGHER. I have a suggestion in the area of the management of statistical reporting systems. In the State of Wyoming, we process each quarter about 280,000 wage records, individual, social security numbers, names, employer account, and the standard industrial classification that is associated with those records. Those records are by no means clean. Employers make reporting mistakes. Date entry people make mistakes. Social security numbers do not match. There is a point in the wage record analysis where attention needs to be paid to the quality of the statistics that are used in the provision of information or in the evaluation process.

I believe that there needs to be an independent set of people with professional backgrounds for managing that system that lead up to the delivery of whatever service one has in mind. That management system needs to be comparable across State lines.

We know that people train for jobs in Helena, Montana, and go to work in Joliet, Wyoming. We know that people call us from Dallas and ask questions about people who have been moved into the oil industry in Wyoming. So we need to be able to compare the Texas inquiry with the Wyoming outcome. That national network needs to be independent and objective, it is my belief.

Chairman MCKEON. Thank you.

Any other comments on that?

Mr. VANDERFORD. If I may, I would like to go back to the voucher thing for just a second. I totally agree with the need that Mr. Carnevale has talked about on better information. It is the same thing that I tried to address and say we need better labor market information. We need to know our employers better.

We also need to know the quality of training better in our area. We need to be the consumer reports of that, but in the end, with the voucher approach it at some point comes down to something real basic. Does the person have the right after being armed with all of that to make a bad choice?

And you say: well, bad choice by whose determination? And I think we have got to deal with that in some fashion. I certainly believe that in the short term if we went to a straight voucher approach across the board, we will get some proliferation of probably two of my favorites. We will get Joe's Truck Driving School and Josephine's Beauty Schools popping up on a lot of corners.

And then the question is: who can draw a line and say, "No, we will not voucher those things because we have quality standards that show they are not getting the job done?" We are going to have to deal with that in some fashion.

Mr. WILLIAMS. Would the Chairman yield?

Chairman MCKEON. Yes.

Mr. WILLIAMS. And the dealing with that is called bureaucracy, and it is called increased administration costs, and it is called Big Brother coming in and enforcing it the way we finally had to do with Pell grants.

As long as we have, and I hope we continue to have, capitalism in America, you are going to have charlatans ripping off vouchers in this country for profit. That is the problem with vouchers, and to solve it you need bureaucracy with a heavy hand. Folks do not want that.

Chairman MCKEON. Very good.

Mr. Green.

Mr. GREEN. Mr. Chairman, I share the concern. I am sorry I had to go to a mark-up, and I came back, but staff told me some of the questions that were asked, and I share the concern of the Chairman and our Ranking Member about vouchers, and like Mr. Vanderford said, do they have the right to make a bad choice? It is there with the tax money that we are taking away from folks, and I am on the Democratic side of the aisle. Do they have that right to make that bad choice on a job training program?

Using the guaranteed student loans is the best example. I guess 80 percent of some of those schools, proprietary schools, were really good, but that 20 percent sure caused us a lot of problems, and that was totally a voucher program or at least that type of schematic system, and again, I share the Chairman's concern and obviously my Ranking Member just a few minutes ago.

Let me ask the representative of the AFL–CIO because so often in my own district because of the layoffs particularly in the steel industry, in some cases in the 1980s in the oil industry, we were utilizing our local unions to find jobs for their members who were being downsized or laid off, like I said particularly in the steel industry, the JTPA in the mid-1980s.

Could you just talk about some of the things that you may know that are examples of how organized labor has been involved in some of the placement of their in some cases fairly highly skilled workers even though their skill may be 20 years old and they may have to retrain at 45 or 50?

Mr. JOHNSON. Sure, Mr. Green. Throughout the process within the last, I guess, 10 to 15 years as we have gone through both downsizing as a result of trade policy and downsizing as a result of defense conversion, we have tried to work with our members as they look to maintain their economic status. We have funded through the Labor Department as a part of the AFL–CIO our Human Resources Development Institute, which works with our State federations on the international level and at local union levels with members to assist them in putting together and reviewing job training opportunities and reviewing what local labor needs are and the market needs are in local communities.

I think, you know, it is kind of a response to part of the question that you raised and that Mr. Williams raised earlier as to whether or not the individuals have a right to choose a bad program. I think from our perspective we believe that we have an obligation to give them as much information as we possibly can on the kinds of programs and the kinds of situations that are out there available to them so that they can make as informed a choice as they possibly can.

If everybody made the best possible choice or made a good choice, we would be in a good world, but everybody does not do those kinds of things. There are people who will make bad choices for varieties of reasons, but we want to try to make sure that we give our folks the opportunity to make as informed a choice as we possibly can so that the possibility of them not being successful is diminished.

I guess our bottom line though is that even though we talk about and have been extremely concerned about the quality of job training and the quality of educational opportunity, we can be the most well trained, the most highly educated work force in the world. If we do not have any jobs for these people to take, it is not going to make a whole lot of difference. We will just have some very intelligent conversations in the unemployment line.

And our goal is not only to make sure that people are well trained, but they have a job to go to.

Mr. GREEN. In follow up, Mr. Chairman, and I thank you for that because we did have a great many chemical engineers in the 1980s in Texas who were looking for those jobs, and I am sure they had those intelligent conversations, but we were able after a number of years to work it through. Our colleges quit graduating chemical engineers because there market was a glut.

So thank you, Mr. Chairman.

Chairman MCKEON. Would the gentleman yield?

On that point, how do you provide those jobs? Who do you get to provide those jobs? What can we do here to stimulate jobs?

Mr. JOHNSON. Mr. Chairman, I really do not have an easy answer for that question. I think we in the labor movement are very open to sitting down with our employers who are currently union employers and management groups to talk about how do we go about guaranteeing those kinds of jobs and creating this work force of the 1990s and the work place of the 1990s.

Chairman MCKEON. I do not know if you can guarantee them. I do not know if there is any guarantee.

Mr. JOHNSON. Sure, "guarantee" is probably too strong a word, but clearly not leave any leaf unturned in our efforts to find a way to do this.

Chairman MCKEON. What about a capital gains tax cut? What about some incentive to entrepreneurs?

Mr. JOHNSON. I think if we can find a way to make basic wages acceptable to workers, we can talk about capital gains cuts. I mean there is a quid pro quo to everything, Mr. Chairman. We are more than willing to sit and have those conversations with you at your earliest convenience.

Mr. GREEN. Mr. Chairman, if I could claim just a few seconds of my time, and I know in the mid-1980s, again, I am going on the experience in Texas when we had in some cases some of the tax laws that were in effect and then changed in 1986 actually shut down some of that entrepreneurial activity, although I also saw some of the business decisions being made simply because of tax ramifications, and the merger mania was really because of the tax benefits that some folks gave, and we lost some jobs, although that was not the only reason by any means, but I appreciate Mr. Johnson's candor about how we can work on some of that, particularly if the capital gains tax is structured for those entrepreneurial firms that were growth and were not doing it just to merge two giant companies and see some job loss in the middle, but if it is for entrepreneurs, I think we can work on that.

Chairman MCKEON. Coming from a business background, I think I have learned that any time you make a business decision just based on tax, it is the wrong decision, but if you can stimulate growth, I think the government does not provide jobs, but if we can get out of the way of people, I think I saw tremendous problems from that 1986 tax deal that really killed a lot of business.

Mr. Sawyer.

Mr. SAWYER. Thank you, Mr. Chairman. Again, thank you for the chance to take part in these hearings. I apologize for being late.

I apologize for not hearing all of the testimony, but I was particularly intrigued by Mr. Gallagher and his treatment of the need for consistent data across a very large and diverse country. It reminded me of the discussion that my colleague from Ohio, Mr. Hobson from the other side of the aisle, conversations that he and I have had over the last two years dealing with exactly the same kind of questions with regard to health care, where administrative costs and the need for accurate, portable information that provides security and privacy is, if anything, an even more complex issue.

Everywhere we turned we ran into two different models. One I call a Social Security model, and the other I call a Federal Reserve model. The Social Security model is based on the notion of very large repositories of centralized information into which that information is poured from very diverse sources, and then released at a need-to-know basis from those centralized sources.

The other is based more on the idea that the two things that people care more about than anything else are their health care information and their money. You know, every one of us in this room at some time or other during most months will go and take actual cash out of their pockets and walk into what is usually a brick building and give that money to somebody with the absolute expectation that they are going to get it back and it is going to be their own money and that nobody else is going to be able to get access to it, and moreover, they are going to be able to take a card and go up to a machine on the street and get their own money back, and that somebody else that has a card that looks just like it is not going to be able to get their money but only their own.

The notion that if we could put together a simple set of rules that would be put together by the people who work with that information to provide for confidentiality, to provide for consistency and standards in the generation and transmission of information, that we could put together a system that might take as much as two or three years to assemble, but could be assembled incrementally; could make use of low cost equipment that is interactive with similar kinds of equipment all across the country; that would provide for sanctions that would be enforceable, a system that would not be so large that if it broke down it would not shut down the whole system; and that would make it possible for people to access information that was their own at almost every point in the country and to do it almost instantly.

Obviously I come down on one side rather than the other of those two models. Is that model compatible with the kinds of information needs that you foresee in making the kinds of choices in putting together real markets in very diverse settings across the country so that people could not only make reasonable market choices with regard to the kind of training that they would get, but so that those of us who have to make judgments about the quality of services that are being offered would have a consistent standard of comparison?

Just a final comment before I ask whether any of you would care to respond to any of those observations. It seems to me that you just cannot solve a problem until you can measure it, and that a consistent set of measurements is perhaps the single greatest asset that we lack in trying to deal with a problem that faces us in many different forms in many different parts of the country.

Can we start down at the far end and just move down the table?

Mr. **Carnevale**. The health care analogy is a very powerful one. In fact, I think it is almost exactly the same set of issues. That is you want an information set that guarantees effective public management on the cost side, which I think is the former kind of information you talked about, that is, the reporting of cost centers in the institution, and then the second set of information, much of which is the cost information and effectiveness of suppliers as certified and codified an information set, to make that available to individual consumers.

There is no reason in the world you cannot do this. It is done in large American companies, private sector institutions, as a matter of course now. Manpower, Inc., which is bigger than General Motors now, rolls up its placement in training twice a day and does so on a global basis, and any individual can get their own account, and they know what the earnings and the employment was of the people they placed, and they do not use UI wage records. They have to collect the information themselves.

We already have the data being collected. It is just not being used.

Mr. **Sawyer**. Anyone else?

Mr. **Gallagher**. Sir, I have been intrigued for years reading the testimony about the Census Bureau that you have been involved with. The analogy of one's checking account, I understand my checking account. I do not understand mutual funds. When you start talking about where are the jobs, all things being equal in an economy, where are the jobs, because we know there are job vacancies, what are they paying and what skills do I need to get those jobs and where do I get that training, that is a more sophisticated question than how much money have I got left in my checking account and will I make it until the end of the month. That one I understand.

But I think there needs to be an intervening layer of analysis in the process of developing information, and that intervening layer of analysis needs to be provided by professionals who have a stake in the community, and I believe that is who I represent.

I have to be responsive to the community that loses its mill. I am held accountable by my governor, and that is the level of sophistication. What do we train these people for? Where do they have transferrable skills? What available jobs might they commute to or even relocate to?

Those are more difficult questions to ask and answer systematically and accurately because we are working with people's lives and communities, and we take it very seriously.

There has got to be, I think, a different model, and I believe it is found in the bill that Senator Jeffords will introduce.

Mr. **Sawyer**. Well, I am not familiar with the model. I would be interested in a succinct description of it, but just let me suggest that I do not think that there is anything more complex than the health system's data, and I would not suggest that what we are trying to provide here is a stand-alone system that is self-evident to all those who might access information on it; that virtually all raw information requires careful analysis, massage, portrayal in ways that are useful, and clearly, that requires real professional effort, and I laud you for your observation.

Thank you, Mr. Chairman.

Chairman McKEON. Thank you.

Mr. McIntosh.

Mr. McINTOSH. Thank you, Mr. Chairman.

I applaud you for your efforts on these hearings. As somebody who was mentored by the author of the JTPA, I have learned over the years that there are a lot of values in this program. I particularly want to welcome Mr. Vanderford of Indianapolis. I have become familiar with his operation there and know that they do an excellent job in delivering these services.

Let me before I ask questions just put in a quick note in defense of vouchers. I think the concept does work well, and higher education, in general, is a pretty good model for it. What is needed there is some form of accountability for the institutions, and there they have got accreditation mechanisms that provide that.

Let me use that as a segue for my first question, which would be to Mr. Wheeler. What from your experience are some means in which we can include accountability? I notice in your testimony you had listed some various suggestions for improvements, and I wanted to see if there were things in particular that were effective in that area.

Mr. WHEELER. Well, I think obviously it is an incredibly complex issue, and there are no easy answers, and I can only speak from one perspective in the private industry sector, but clearly something like the voucher system could be applied very effectively within our own industry as we are upgrading skills of our workers and we are looking at a changing mix in the work force.

We have calculated, I think, fairly well what that looks like over the next two to three years in terms of the changing mix of people, and we are faced as a private and fairly large employer with a task of either we take on the burden of retraining these people to meet the new and increased skills that the workers need or we lay them off and try to find those people in the community outside.

It seems to me clearly that some sort of a voucher system for your individuals or some way to subsidize training within corporations would clearly provide both accountability and a service to the people because those people would have to remain employed, and that is really the model that I think is partly reflected in the California Employment and Training Panel's kind of way that they disperse public funds.

Mr. McINTOSH. Have you developed some measures of continued improvement that you use as a standard for various programs in the California model?

Mr. WHEELER. Yes. In all of the training or retraining programs that we undertake within our industry and within National Semiconductor, there is clear accountability. We establish clear needs up front, and I think that is halfway to accountability, making sure the need is clearly defined and real and that you have identified what it is that you are going to measure before you measure it. We often say: accountability? Accountability for what?

Then the end is if they keep their job or if they have skills. You know, what is the accountability issue?

So we spend a lot of time, I think, on the up-front side in defining what do we want to train people to be or do and what do we want to measure in the end.

In the measurements systems we have both short and long-term measurement systems. The short-term ones are more superficial. Was the training delivered well? Was the people who delivered it qualified, and so forth? The more sophisticated and longer term ones, and we use a four-level model lead up to in the end the return on investment for money spent and in many cases that is very hard to determine, but there are clearly steps along the way where you can measure the results of what you are doing.

Mr. MCINTOSH. So you could have, say, an independent accreditation service that would apply that type of model to measure programs provided by different providers?

Mr. WHEELER. I think you could.

Mr. MCINTOSH. Okay. Would any of the other panel members like to comment on aspects of accountability?

Mr. VANDERFORD. I also am a fan of vouchers. I mean when you say "vouchers," I think people have a lot of different definitions of what such a thing is. I think there is a guidance process that needs to go throughout the process, particularly with some of the clients that we are dealing with. I used to call it the difference between guided vouchers and SCUD vouchers, but I have kind of dropped that as we have gotten further away from the war.

The process needs to be one of helping that person from the beginning make a wise choice, putting the burden of accountability somewhat on them. I mean it is their voucher.

What we do is we start with a required process for the client that says what job are you planning to get with this voucher. Do some things to investigate the job. Do some things to look at what training institutions lead to those jobs, and if it meets your needs, then we basically approve your plan, and then we will follow it through some form of case management to see if standards are being met.

Of course, the other end is what you are talking about. We have got to have a better consumer report of training institutions. I agree with you. It is an accreditation issue, but I do not think we are doing accreditation as well as we need to with some of the factors we are talking about here today in terms of ultimate outcomes and did you get placed in what you trained for and did you pay twice as much at some place versus another place with the same outcome. We have got to do better at that.

Mr. MCINTOSH. Mr. Chairman, could I have unanimous consent for a couple of more minutes on another line of questioning?

Chairman MCKEON. Yes.

Mr. MCINTOSH. I just wanted to ask Mr. Vanderford slightly different questions.

In your testimony you mentioned a lot about sort of one-stop shopping as a feature, and I know you have done a lot of good work in the Indianapolis community on that. Could you elaborate some of the hurdles that you had to overcome in order to create that, and particularly working with the education system there?

Mr. VANDERFORD. First, and I should have initially, I should give a good bit of credit to the State of Indiana, through both Republican and Democratic administrations, for passing a lot of money through to local areas for uses like this. They were certainly a willing partner in the effort to combine State employees with local employees in creating the kind of centers we have around the State.

Within that structure, I think we've clearly got to take this in a different direction right now though, and I know I have talked about that before. You know, we were using a medical analogy a while ago. I think a medical analogy is a good one. I cited one in my written comments.

That is what we are separating right now. We are trying to separate as dealing with cancer. I think we have some work force cancers out there, and what we are trying to separate is research from treatment. Our one-stop centers are basically treatment centers using the best available stuff we know, but we have got to know better stuff, and we have got to do some of the things Mr. Carnevale is talking about, and then we have got to apply that back to those centers, and we have got to do better on both sides of that.

I probably got away from what your question was.

Mr. MCINTOSH. Well, one other in particular, since the next panel will discuss some of the special needs situations. Have you been able to tie in the one-stop centers with your programs for the disadvantaged?

Mr. VANDERFORD. One thing is very important to us, and we have made a number of presentations in other parts of the country, and we have tours that we give to folks sometimes, and it is very important to us that the one-stop centers we have not stigmatize anybody, that they not be centers for poor folks, that they offer something at some level of service for anybody, and that everybody feels welcome there.

We keep trying to build that better and better, but that is real important to us. It is a service center, and if you are eligible for certain things that day based on a lot of things that you guys do to us, categorical programs. One of those just got rescinded, so we cannot do that one today. I mean we try to make some sense of all of that for the client and for any client.

At the heart of the system though is just a basic job match service. It is basically the Employment Service. We will match your skills as best we can right now, and if you want to build your skills, we will try to find the things that will help you build them.

Mr. MCINTOSH. Thank you. I thank everybody on the panel for coming today.

Chairman MCKEON. Thank you.

Mr. Souder.

Mr. SOUDER. I found it very interesting as we have been doing these different hearings. I believe it was CET stressed very worklike training where they had the equipment there and had a success rate because it looked very much like a business operation. Peter Kobe was here the other day talking about America Works and DIRECT, and clearly, in the Indianapolis model it is work oriented rather than just kind of moving between different education programs, and I had a couple of questions for Mr. Wheeler.

You have a comment in your written testimony about tough performance contracting standards. Clearly, what we see, whether it be in what little evidence we have of what works, that performance standards are critical in that a lot of these programs do not have those kinds of standards. The private sector often kind of toys around with those programs, view them as, oh, we are going to do this as part of our social work to work with these different training things, and it does not really have an impact on our business. We do this as kind of a public service.

Yet you read Peter Drucker and Tom Peters that more teachers will probably be employed by private industry than will be in the public sector, which shows a tremendous failure of the public sector because the private sector is teaching even basic type things.

What kind of performance standards if they were not done—I mean part of this is we try to make it so that whether it is vouchers or other ways like the Indianapolis thing where you try to push it towards work and then do the supplemental training through the employer, what performance standards could we as a government be looking for in those who have government funds in it? Were you thinking more of an individual performance standard at a company or something that we could actually put into a law in some way?

Mr. WHEELER. Well, I was just thinking that clearly whatever training program the government funds ought to have a success rate with the people that go through the program, and I think the ultimate accountability is to the people who complete the training in these various programs, get placed in jobs, and maintain those jobs without immense further training within the industry, and to me that is the ultimate accountability.

I think that there is a tremendous amount of effort on the government programs to screen people coming into the programs and look at how the programs are delivered, but there is not the same kind of emphasis put on what happens to the people after they finish the programs. It gets back to this whole data tracking issue. Where do the people go? Where do they end up? Where are they three years later or five years later? Were they employable, and at what salary were they employed at?

I think to me that output side is the critical piece.

Mr. SOUDER. There is some feeling that in some programs, that after the government subsidy runs out the employee is gradually phased out, and you had one proposal for an investment tax credit for training for a company. What if that were performance based? In other words, as an employee you could take that over a period of years rather than at one time, meaning that if the employee is not there, you do not get the investment which is a performance based training on the company itself.

Would the paperwork overwhelm on that and make it not worthwhile?

Mr. WHEELER. It might make it not worthwhile. It would really depend on how much bureaucracy was attached to it. I think that is the ultimate question.

If there is a tremendous tracking issue involved and reporting issue, then it always becomes the issue is it worth the cost.

Mr. SOUDER. And that is the big problem with performance based, that it requires some kind of accountability, which requires some kind of paperwork which we are trying to reduce.

Mr. WHEELER. Yes, and I think again ultimately it goes back to having more automated on-line systems that take the onus off doing all of that paperwork, and I think that paperwork can always be looked at and made as simple as it can possibly be.

Again, I go back to the California Employment and Training Panel, which has had quite a period of history of doing this, and they have managed to reduce paperwork from the early days when I was applying from grants, which was truly an incredible burden. You almost had to hire a person within your company just to administer the program, to the point today where it is a reasonable amount of bureaucracy for what I think is a very good payoff. So I think it can be done.

Mr. SOUDER. I also thought it was a bit ironic, but true, that you had a statement in your written statement about your combined learning experiences from your California group. As you get experiences, perhaps you could share those, which I think would be very valuable, but you know, in the government we spend so much money in research, and in effect, what you are saying is, you know, some of us are without government money doing research that maybe the government would find more effective than what we have been spending all of this money on, which is just a little ironic tone there to your comment.

I have no further questions.

Chairman MCKEON. Thank you, and we would like to thank all of you today for your time here and for your contribution in your testimony.

I have asked each of the panel members as they concluded that if as you leave you think of something you would have liked to have said that you did not, if you will please communicate that to us. Either call us or send us a note, and if you will follow through the process as we begin to mark up and maybe come up with a bill on this, if you will continue to avail us of your expertise, we would appreciate it. Thank you very much.

We will move now to our second panel: Ms. Patricia Jagiel of the Seminole Tribe of Florida, from Hollywood, Florida; Mr. Stuart Mitchell, Executive Director of Rural Opportunities from Rochester, New York; Ms. Graciela Pena, a former farmworker and participant in a JTPA Program for migrant and seasonal farmworkers in Aspers, Pennsylvania; Mr. Ronald Drach, National Employment Director of the Disabled American Veterans Association from Washington, DC; and Ms. Carolyn Stearnes, Vice President for the Employment Division of Senior Citizen Services, Memphis, Tennessee, representing the American Council on Aging.

We appreciate all of you being here. You have seen the process, and you know how we will proceed. We will begin first with Ms. Jagiel.

STATEMENT OF PATRICIA JAGIEL, SEMINOLE TRIBE OF FLORIDA

Ms. JAGIEL. Thank you, Mr. Chairman.

My name is Pat Jagiel. I have the privilege to serve as the Assistant Education Director for the Seminole Tribe of Florida. I have been involved in education and job training programs for American Indian people for the last 14 years.

Currently I am also the chair of the school board of the South and Eastern States Agency, the official advisory body on education matters to the Bureau of Indian Affairs for tribes east of the Mississippi River.

The Seminole Tribe of Florida number over 2,000 people. The tribe has jurisdiction over five reservations throughout southern and central Florida. The tribe is pleased to be able to appear at the committee's hearings to discuss the unique role which Indian education and employment programs play in meeting the work force preparation needs of our people.

We are particularly pleased to share with you the success which we have had at Seminole through a tightly integrated approach to providing these services.

The Seminole Department of Education operates programs under Title IV and II(b) of the Job Training Partnership Act and the Employment Assistance Programs of the Bureau of Indian Affairs. We also operate adult education, higher education, the child care development block grant, and Head Start.

The tribe also receives funds for the Johnson O'Malley Program and ICEP. We make all of our program services work together. When a tribal member needs services, he or she comes to the tribe, not to the State or to the county government.

Anyone familiar with Native American tribes knows that many reservations are miles away from any town, let alone a major city where services for adult education, health and child care are usually placed. The tribal members needing the employment and training programs, adult education programs, and child care must have these services on the reservation so they may take advantage of them. Going to town is often impossible and is a deterrent for anyone who has the initiative and decides to better their lives.

We help. We make the services fit the person's need rather than forcing our people into the pigeonholes of the different Federal programs. The Seminole Tribe of Florida was one of the first in the country to press for and take advantage of the opportunity presented by the Indian Employment Training and Related Services Demonstration Act of 1992, Public Law 102–477, or just 477, for short.

As you know, this landmark legislation enables Indian and Alaskan Native tribal governments to consolidate all of their formula funded employment and training programs and such related services as child care into a single activity at the tribal level. It is a voluntary initiative, and the only exercise in consolidation now operating under current law.

We implemented this approach in our employment and training services early last calendar year. Since then we have seen a major shift in focus toward participants and away from unnecessary Federal paperwork.

We have a single plan governing these services, a plan which is written to meet tribal needs, not the Federal agency priority of the month; a single budget eliminating the need to record expenditures for the same people and purposes, but funded under different Federal programs; a single report form and system which replaces the multiple reports under the individual programs; a close working partnership with the Federal agencies involved in the Public Law 102–477 initiative.

We have taught them what consolidation can do. More importantly, our participant services have improved. These services have improved because we no longer have to wear two hats.

Prior to Public Law 102–477, there was an application for JTPA and an application for adult vocational training. Now there is one which covers all applicable information. Now the two-person employment and training office can spend more time with counseling, encouraging, and assisting participants so that the eventual outcome for this participant is a positive one.

In 1985, the tribe had seven higher education clients. In 1995, we have 82. This increase is remarkable because of tribal encouragement, although financial assistance from the Federal Government continues to decrease. We have been able to prepare the tribal members for a higher level of entry into the work force. Quite frankly, when they hit the bricks, they are better prepared.

The consolidation of the JTPA and ABT Programs enable the Employment and Training Department the flexibility it so greatly needed to fit the needs of the individuals we serve. Each of the five reservations has its own unique situations that cannot be streamlined or channeled into a block grant that comes from Tallahassee, our State capital.

Tallahassee is not aware of the specific needs of the tribe. Only the tribe is.

Chairman MCKEON. Ms. Jagiel.

Ms. JAGIEL. Excuse me.

Chairman MCKEON. We were out of time.

Ms. JAGIEL. Oh, I am sorry.

Chairman MCKEON. We will put your whole written statement in the record.

Ms. JAGIEL. Okay.

Chairman MCKEON. Do you have anything that you would like to just summarize to conclude?

Ms. JAGIEL. Yes. I would like to just say that the Federal Government has always had a unique responsibility to Indian tribes in recognizing their sovereignty, and we would like that to be maintained. We would not like to be included in a State block grant. We would like to continue the Public Law 102–638 and the Public Law 102–477 approach for contracting with individual Indian tribes.

Thank you.

[The prepared statement of Ms. Jagiel follows:]

Summary of Testimony presented by:

Ms. Patricia Jagiel
Assistant Education Director
Seminole Tribe of Florida

For Hearings conducted by:

Subcommittee on Post-Secondary Education, Training and Life-Long Learning
Committee on Education and Economic Opportunities
US House of Representatives

March 23, 1995

The Seminole Tribe of Florida is a federally-recognized Indian tribe with jurisdiction over five reservation areas in south and central Florida and 2,010 members. For many years the Tribe has operated a variety of federally-funded education, employment and training programs.

The Tribe's employment and training services are currently provided under the program consolidation initiative authorized by the Indian Employment, Training and Related Services Demonstration Act of 1992 (PL 102-477). Our experience under this initiative has been very positive. We have improved our services, reduced unnecessary federal paperwork and finally have the ability to adapt our services to tribal goals and the needs of our people.

Any program consolidation legislation developed in the Congress should:

1. Include separate authorization for Indian programs, providing funding direct from the federal government to Indian tribes and organizations.

2. Support the consolidation of services with appropriate flexibility at the service delivery level, along with appropriate accountability.

3. Insure that no Native American population group or area now served by the separate Indian programs in the statutes involved is denied services under the consolidation.

4. Provide that the Indian program is overseen by a federal Indian office with full authority over the program and a partnership process with Indian tribes and organizations.

SEMINOLE TRIBE OF FLORIDA

TELEPHONE
(305) 584-0400

Tribal Officers:

JAMES BILLIE
Chairman

FRED SMITH
Vice Chairman

PRISCILLA SAYEN
Secretary-Treasurer

EDUCATION DIVISION
EMPLOYMENT & TRAINING
(JTPA & AVT)
6073 STIRLING ROAD
HOLLYWOOD, FLORIDA 33024

Draft of Suggested Testimony

For: Ms. Patricia Jagiel
Assistant Education Director
Seminole Tribe of Florida
Hollywood, Fl.

Delivered to:

Subcommittee on Post- Secondary Education,
Training and Life-Long Learning
Committee on Education and Economic Opportunities
US House of Representatives

Hearing on:

March 23, 1995

Thank you Mr. Chairman. My name is Pat Jagiel. I have the privilege to serve as the Assistant Education Director for the Seminole Tribe of Florida. I have been involved in education and job training programs for American Indian people for the last 14 years. Currently, I also am the Chair of the South and Eastern States Agency (SESA), the official advisory body on education matters to the Bureau of Indian Affairs for tribes east of the Mississippi River.

The Seminole Tribe of Florida number 2,010 people. The Tribe has jurisdiction over 5 reservations throughout southern and central Florida.

The Tribe is pleased to be able to appear at the Committee's hearings to discuss the unique role which Indian education and employment programs play in meeting the workforce preparation needs of our people. We are particularly pleased to share with you the success which we have had at Seminole through a tightly integrated approach to providing these services.

The Seminole Department of Education operates programs under Titles IV and II-B of the Job Training Partnership Act, and the Employment Assistance programs of the Bureau of Indian Affairs. We also operate Adult Education, Higher Education, the Child Care Development Block grant and Head Start. The Tribe also receives funds for Johnson O' Malley and ISEP.

We make all our program services work together. When a tribal member needs services he or she comes to the Tribe, not to the state or county government. Anyone familiar with Native American Tribes knows that many reservations are miles away from any town, let alone a major city where services for adult

"BUT I HAVE PROMISES TO KEEP & MILES TO GO BEFORE I SLEEP" *education, health and child care are usually placed. The tribal members needing the Employment & Training Program, Adult Education Program and child care must have these services on the reservation so they may take advantage of them. Going to town is often impossible and is a deterrent for anyone who has the initiative and decides to better their lives. We help. We make the services fit the person's need, rather than forcing our people into the pigeonholes of the different federal programs.*

The Seminole Tribe of Florida was one of the first in the country to press for and take advantage of the opportunities presented by the Indian Employment, Training and Related Services Demonstration Act of 1992 -- Public Law 102-477, or just "477" for short.

As you know this, landmark legislation enables Indian and Alaska Native tribal governments to consolidate all their formula-funded employment and training programs, and such related services as child care, into a single activity at the tribal level. It is a voluntary initiative and the only exercise in consolidation now operating under current law.

We implemented this approach in our employment and training services early last calendar year. Since then we have seen a major shift in focus -- toward participants and away from useless federal paperwork. We have:

- *A single plan governing these services, a plan which is written to meet tribal needs, not the federal agency "priority-of-the-month."*
- *A single budget, eliminating the need to record expenditures for the same people and purposes but funded under different federal programs.*
- *A single report form and system, which replaces the multiple reports under the individual programs.*
- *A close working partnership with the federal agencies involved in the 477 initiative. We have taught them what consolidation can do.*

More importantly, our participant services have improved. These services have improved because we no longer have to wear two hats. Prior to 477, there was an application for J.T.P.A. and an application for Adult Vocational Training. Now there is one which covers all applicable information. Now, the two person Employment & Training office can spend more time with counseling, encouraging and assisting participants so the eventual outcome for this participant is a positive one.

In 1985 the Tribe had 7 higher education clients. In 1995 we have 82. This increase is remarkable because of Tribal encouragement although financial assistance from the federal government continues to decrease. We have been able to prepare the Tribal members for a higher level of entry into the work force. Quite frankly, when they hit the bricks they are better prepared.

The consolidation of the J.T.P.A. and A.V.T. programs enabled the Employment & Training Department the flexibility it so greatly needed to fit the

BEST COPY AVAILABLE

needs of the individuals we serve. Each of the 5 reservations has it's own unique situations that cannot be streamlined or channeled into a block grant that comes from Tallahassee. Tallahassee is not aware of the specific needs of the Tribe, only the Tribe is. Tallahassee cannot ever understand the uniqueness of the culture or the people, only the Tribe can. The Seminole Tribe of Florida along with the 9 tribes and Alaskan Native Associations has worked hard to make 477 work. And it does. It works because we, as Tribes have participated with the Federal Agencies to fit the needs of the Native Americans and Alaskan Natives it serves.

This voluntary approach to program consolidation has worked for the Seminole Tribe of Florida. We know it has worked for all the other tribes that have tried it, for many of the same reasons. Quite Frankly, many more tribes are interested in trying it, but have held back. Many tribes can't quite believe that the federal agencies involved are serious about this approach which originated with the Tribes and Congress, not the agencies themselves.

The 477 initiative has been a demonstration. It is built on the current, fragmented structure of federal programs -- specifically programs serving Indian people in reservation areas. In looking at how to improve these programs, we feel that the lessons of 477 are important.

The first lesson is that federal support for Indian education and employment and training programs is there for a series of reasons which remain valid and must be built into any future legislative initiatives.

The federal government assumed a unique responsibility to Indian tribes and people when it took Indian land. This responsibility is expressed in many, many treaties. It is a part of the Constitution of the United States.

In taking that land, the United States government destroyed the economic system upon which the self-sufficiency of Indian people was based. The facts are all too familiar. The first Americans have the highest unemployment rates, the highest poverty rates and the poorest socio-economic conditions of any group in the country. Indian people also face the greatest barriers to employment as a result of a lack of investment in Indian education.

The current federal support for education, employment and training services is essential as a way to restore the self-sufficiency of Indian people in the present economic environment.

The second important lesson is that Indian tribes and Indian people are very diverse. Some tribal communities, such as several at Seminole, are very small. Cultures differ. Learning styles differ. Economic opportunities vary enormously.

No single approach to the problems Indian people face in the workplace will work. Federal support must be flexible enough so that Indian tribes and organizations can adapt the resources available to fit their local situations.

The third lesson is that Indians have much better ideas about how to solve the problems facing Indian people that the federal agencies do. The Seminole Tribe of Florida is the leading example of that. It was our ideas that have contributed to solving the problems of our people. Federal funding is essential, but it accomplishes something only when we can decide how to best to utilize it.

There are a number of federal programs on which we at Seminole rely for assistance, along with other tribes and Indian organizations serving our people in off-reservation areas. Indian programs are authorized in Section 401 of Titles IV of the Job Training Partnership Act and under the Title II-B Summer Youth program in JTPA as well. There is an Indian set-aside under Section 103 of the Carl Perkins vocational education legislation. There is a tribal component under the Job Opportunities and Basic Skills (JOBS) program which serves Indian AFDC recipients in reservation areas. The Bureau of Indian Affairs supports an array of tribal services some of which are adult vocational training and direct employment services, Adult Education and Higher Education.

At the same time, we hope you realize that there are very important differences from one program to another. The JTPA Section 401 program, for example, funds services to Indians in off-reservation areas. This means that when Seminole people move from our reservations to north Florida there is a program that can assist them in qualifying for and finding work.

The Indian program under the Carl Perkins vocational education legislation provides funds on a competitive basis, unlike the formula approach used in JTPA. This enables it to augment services and strengthen the educational institutions in Indian communities in ways JTPA cannot.

The BIA programs are part of a menu of services from which tribes can choose, based on tribal priorities. Again, this is a different approach, but a valuable one from a tribal perspective.

To say that all these programs are duplicative and overlapping is simply false. They need to be better integrated, but they need to be integrate at the tribal level, in ways that make sense from an Indian perspective. In integrating the services, we also must avoid a "shotgun marriage" approach, that robs Indian people that are currently reached by the present programs from losing any access to those services.

Please remember that Indian tribes are unique. As I stated previously, only Tribes know what their people need, not the states. Only Tribes have the government to government relationship with the United States. It is very important that we continue this relationship for the economic well-being of all Tribal members throughout this nation.

In looking at the more effective integration of program services from an Indian perspective, let me offer several ideas that are critical to improving services.

1. Indian money for program services must remain as Indian money.

All of Indian Country is united behind the idea that Indian programs must not be folded into state block grants. Indian people go to their tribe or off-reservation organization for services, not to agencies of state or local government.

In order for this to happen, all of the special Indian components in each of the now separate programs (JTPA, the Perkins Act and others) should be identified and moved into a single set of provisions in any program consolidation legislation.

2. The amount of support for Indian services should not be reduced.

This means that the amount of Indian money authorized under the consolidation law should be no less than the total of the amounts available under the current, separate programs.

3. No Indian program clients (such as on-reservation youth, welfare recipients) should lose services now available to them.

Although a simple and equitable idea, this may seem difficult to accomplish while at the same time putting all the money for the now-different programs in the same "pot".

It is very important, for example, that off-reservation Indian, Alaska Native and Hawaiian Native people that are currently served through the Sec. 401 JTPA not be shut out of all services if 401 money is combined with funds under the JTPA Summer Youth and JOBS programs that now go only to reservation areas. In the same way, it is crucial that the on-reservation youth served by the JTPA Summer Program not lose their services by having that money distributed to off-reservation grantees. There is a similar issue with the funding that goes to Indian vocational education programs, including those of the tribal colleges.

One approach to this issue would be to specify, in a consolidation law, that funding in the single "pot" be distributed in such a way that each of the costituencies served by the current programs receive funding proportional to what the same constituencies have received under the current, separate programs.

4. The same types of entities should retain their eligibility to receive money for the types of services they now provide.

This goes with the idea above. For example, money for which tribal colleges are eligible to apply (such as Perkins Act funding) would continue to be available to tribal colleges.

Special funding to serve AFDC recipients that goes only to federally recognized tribes would continue to go to those groups.

BEST COPY AVAILABLE

5. All the money a grantee receives by formula should be covered by a single plan and a single budget.

This idea comes straight out of the experience under PL 102-477. It goes to the heart of the consolidation or "one stop" idea.

At the same time, this idea does not dictate to any grantee how to organize its education or job training staff.

6. A single set of program definitions and requirements should apply to all services.

This idea also goes with the concept of consolidation. The requirements should obviously be ones that are specifically appropriate to Indian circumstances, like providing that the programs can support economic development activities. The requirements should also give grantees broad flexibility to use the available resources as they best see fit in their local situation.

7. There should be a strong, meaningful and appropriate program accountability system.

Indian groups support this as strongly as do members of Congress. The most important aspect of this accountability is to Indian tribal governments and their Indian citizens. In the 477 demonstration we have been able to get out of the Labor Department's "black box" approach to performance standards and develop standards which are meaningful to us in our own circumstances. We think the accountability system in any program consolidation legislation should take a similar approach.

8. Any new arrangement should be phased in over time, giving grantees an opportunity to adjust their services.

Although swift and thoughtful Congressional action on consolidation legislation is important, it will take a significant amount of time at the operating level to adjust to any major program restructuring.

9. New legislation should include provision for technical assistance, evaluation and other support functions specifically tailored to Indian programs.

The idea is an obvious one to us. Effective program services at the tribal level need proper support services at the federal level.

10. The agency that administers the consolidated Indian component under federal workforce preparation legislation must be one with Indian staff and partnership process.

Whatever that agency is, it is important that the responsibility for the Indian component of any education and job training consolidation legislation be in an office:

a. That has real authority over the program and over dealings with tribes and other Indian and Native American organizations. The JTPA law now provides for such an office in DOL. The office of Indian Education also has such authority, but does not administer any of the Indian programs under JTPA, the Perkins Act or vocational rehabilitation legislation.

b. That has legislative authority to impose Indian preference in hiring for professional staff in that office. This authority currently exist in JTPA. Even stronger authority exists in the Office of Indian Education and BIA.

C. That has a strong Advisory Committee structure. Again, this kind of authority now exists under JTPA. It also exists under the Indian Education Act.

With respect to the BIA programs, 477 provides a way integrating BIA funds with money from JTPA, JOBS and other programs (including child care.) Tribes have the option to participate in 477, combining their JTPA and other related services money with their BIA money and use self-governance and 638 procedures as a way of handling such funds.

Program consolidation legislation should gives tribes the same option.

In conclusion, we ask that you take each of these ideas into consideration in deciding on the future directions for federal support for Indian education, employment and training services. The economic future of Indian Tribes and Indian people depends on it.

Chairman McKeon. Thank you.

Mr. Mitchell. I think Graciela wants to go first and then I will go. Is that all right?

Chairman McKeon. Yes.

STATEMENT OF GRACIELA PENA, JTPA SECTION 402 PARTICIPANT

Ms. Pena. Thank you.

I am Graciela Pena. I am a Mexican-American who was born and raised in California, and I am a U.S. citizen. As a child I experienced farm work first hand.

Mr. Sawyer. Mr. Chairman, if she could move the microphone closer it would help. Thank you.

Ms. Pena. By helping in the strawberry fields. I am also the wife of a farmworker who currently works as a farmworker and has worked in farm work all of his life.

In 1986, we decided to settle in Pennsylvania. We have three children. I know what it is like not to be able to receive services because of who I am and where I came from. If you are a farmworker, your choices are limited. Local community agencies do not want to work with people who cannot speak their language, who do not have transportation, and they will not look for jobs for you because they feel you are not smart enough.

This is not hearsay, but a very common experience among farmworkers and myself.

Have you ever gone into the Employment Service office? I can tell you that they assume by your appearance that you do not speak English. They immediately tell you to bring your own interpreter, tell you to fill out your own paperwork. They do not tell you what job opportunities exist. They do not even tell you about farm jobs.

What would you do if you were the parent of preschoolers and had to work from 6 a.m. to 7 p.m., and local child care providers and regular Head Start only offers care from 9 a.m. to 12 p.m.? Almost conveniently they do not have an opening for your children. Local and State agencies do not view farmworkers as members of the community. Farmworkers live in remote, isolated areas. This is why farmworkers' children are still being taken to the orchards and fields. After all, what other choices are we given?

I found out about Rural Opportunities through their outreach program. The staff came to visit. They came in the evening when it was convenient for my husband and me. It was during one of their visits that I was encouraged to come into their office, and they provided transportation since I did not know how to drive.

The first thing I noticed was the people who worked there looked like me and spoke my language. I felt comfortable there. It was not assumed that I spoke English, and I was not treated differently because I did or did not. This was a new experience for me. For once someone saw my determination, not my limitations.

ROI offered all of the services my farmworker family needed under one roof. There was job training, housing, health, and Head Start programs, even a food pantry. My husband enrolled in ROI's Agricultural Upgrade Program that provided him with new skills.

Now he has a career in agriculture working more in a full-time, year-round job with some benefits.

My children were served through ROI's Migrant Head Start Program, and the services were provided immediately. The center's hours were the same as my work hours. I was able to participate in my child's education because I had a voice in how this center was operated.

I realized that I, too, had some choices. I made the choice to leave agriculture. In ROI's Farmworker Training and Employment Program, I began the steps necessary to change my life. I was assisted with obtaining my driver's license, was helped to prepare for and take the GED exam. I am proud to say I passed. One-on-one counseling was done at times to meet my needs.

I chose to work towards an administrative clerical position. I attended classes at the local community college where I received certificates of completion for introduction to personal computers and Word Perfect.

I come before you today to say that I successfully completed the Job Training and Employment Program and am now employed by Legal Services as a secretary-receptionist, and I have been there for four years. This job provides me with benefits, respect, consistent payroll, a clean and safe working environment, and an opportunity for employment growth in the future.

I am also proud to say that because of these opportunities provided through the Farmworker Employment and Training Program, section 402 of JTPA, that I, too, can have the American dream: a healthy family, a good job, a car, and a home which one day will be mine.

Ladies and gentlemen, I once was someone who felt I did not have choices. It is now my responsibility as a former farmworker, as an American citizen, as a taxpayer and a registered voter to make sure that each of you do not limit the choices of those farmworkers who still believe they have no choices, and I am proof that these programs work.

And I publicly want to thank Rural Opportunities, and I also want to thank you, the Members of Congress, for this opportunity and for having created the JTPA 402 Program which has helped me so much.

Thank you.

[The prepared statement of Ms. Pena follows:]

TESTIMONY OF GRACIELA PENA

I am Graciela Pena. I am a Mexican American who was born and raised in the state of California, and I am a U.S. citizen. As a child whose parents were farmworkers, I experienced farmwork first-hand by helping in the strawberry fields with them. I am also the wife of a man who currently works as a farmworker and has worked in farmwork all his life. We traveled from Florida to North Carolina to Pennsylvania in search of farmwork, and in 1986, we decided to settle in Pennsylvania.

I know what it is like to not be able to receive services because of who I am and where I came from. It doesn't matter if you are an American citizen or work authorized, if you are a farmworker, your choices are limited. My experience has been that local community agencies don't want to work with people who can't speak their language, whose work hours don't fit into their regular 9 to 5 schedule, who don't have transportation to get to their offices, and won't look for jobs for you because they feel you are not smart enough. They spend more time trying to figure out why you don't qualify for their services rather than providing services.

This is not hearsay, not just one isolated incident, but very common experience among farmworkers and myself.

Have you ever gone into the Job Service and spoken another language other than English? I can tell you, they assume by your appearance that you do not speak English and they tell you to bring your own interpreter. Then once you do...they tell you to fill out your own paperwork. When the paperwork is returned, they don't tell you what job opportunities other than agriculture exist and sometimes, don't even tell you about farm jobs. Does this mean because I do farmwork it should limit my choice of jobs or training to only agriculture or no employment, at all? What would you do if you were the parents of preschoolers and you had to work from 6:00 am until 7:00 pm and the local child care providers and local, regular headstart programs only offered care from 9:00 am to 12:00 pm and only for children from ages 3 to 5? Almost conveniently, they don't have an opening for your children? In addition, regular headstart programs are not open during the farm working months from June through September. These and other local and state agencies do not view farmworkers as members of the community.

Farmworkers don't live in the community year-round, and they live in remote, isolated areas. This is why farmworkers' children are still being taken to the orchards and fields. After all, what other choices are we given?

I found out about Rural Opportunities through their outreach program. The staff came to visit my husband and discussed their Agricultural Upgrade Program. They came in the evenings when it was convenient for him and it was during one of their visits that I was encouraged to come into the office and they provided transportation since I didn't know how to drive. When I walked in the door, the first thing I noticed was the people who worked there looked like me and spoke my language. I felt comfortable there. It was not assumed that I spoke English, and I was not treated differently because I did or didn't. This was a new experience for me. For once someone saw my determination, not my limitations.

ROI offered all the services my farmworker family needed under one roof; there was a Headstart program, a health, housing , and a job training program...even a Food Pantry. My husband did not want to leave his agricultural employment, so he enrolled in ROI's Agricultural Upgrade Program that provided him with new skills in operating and maintaining farm equipment, and understanding worker safety standards. This helped him to stabilize our family and now he has a career in agriculture, working less on a seasonal basis and more in a full-time, year-round job with some benefits.

My children were served through ROI's Migrant Headstart Program. The services were provided immediately, which allowed me to continue my agricultural employment. The center's hours were the same as my work hours. For the first time, I was able to participate in my child's education because I had a choice and a voice in how this center was operated.

After being involved in one way or another with Rural Opportunities' services, I realized that I too have some choices. I made the choice to leave agriculture and work to fulfill my goal of working in an administrative office. In my next visit to ROI's Farmworker Training and Employment office, I began the steps necessary to change my life. I was tested to find out my interests. In order to become job ready, I was assisted with obtaining my driver's license and was helped to prepare for and take the GED exam, which I am proud to say I passed. Even one-on-one counseling was done at times to meet my needs. Since I agreed with my interest assessment results, I chose to work towards a administrative, clerical position. I never dreamed when we was moving from state to state working in the fields that I could work in an air-conditioned office. A Work Experience program site was arranged while I attended computer classes at the local Community College where I received a Certificate of Completion for Personal Computers and Word Perfect.

I come before you today to say that I successfully completed the Job Training and Employment Program, am now employed by Legal Services, Inc. as a Secretary/Receptionist, and I have been there for 4 years. This job provides me with benefits, respect, consistent payroll, a clean and safe working environment, and an opportunity for employment growth in the future.

I am also proud to say that because of these opportunities provided through the farmworker employment and training program, section 402 of Job Training Partnership Act, that I, too, can have the American dream: a healthy family, a good job, a car, and a home which one day will be mine.

Ladies and Gentlemen, I once was someone who felt I did not have choices. It is now my responsibility as a former farmworker, as an American citizen, as a taxpayer, and a registered voter to make sure that each of you do not limit the choices of those farmworkers who still believe they have no choices. I am proof that these programs work, and I publicly want to thank Rural Opportunities. Thank you.

Chairman McKEON. Thank you very much.

Mr. Mitchell.

STATEMENT OF STUART MITCHELL, EXECUTIVE DIRECTOR, RURAL OPPORTUNITIES, INC.

Mr. MITCHELL. Good morning. I am Stuart Mitchell, and I am President and CEO of Rural Opportunities.

I have given you a directory of our services. So I will not go through any detail of what we provide.

I am also here representing the Association of Farm Work Opportunity Programs, a national federation of farmworker employment training and support service agencies, both public and private, that receive funding under Title IV, section 402, of the Job Training Partnership Act.

Thank you for the opportunity to testify before this important committee. I am prepared to discuss the conditions under which the consolidation of training and employment programs for farmworkers can be effective.

There are two conditions that must be fully integrated. Farmworker employment and training programs must be centrally administered from the national level, and several farmworker employment and training programs with goals similar to those of the 402 Program should be considered for a combination.

The 402 Program offers a comprehensive array of services to meet the employment, training, and support services needs of seasonally employed farmworkers. Our goal is to find year round, full-time, unsubsidized employment, and to provide support to those farmworkers who remain in agriculture.

As the 1993 section 402 Program data shows, compared with the block grant program, the Farmworker Program serves twice as many dropouts, has the highest percentage of participants reading below the seventh grade level of the whole JTPA system, and works with individuals who have twice as many barriers to employment.

I have included a chart that, as you can see from this chart, we are doing a very good job of training and placing a significantly hard-to-place population. Our experience at ROI shows that for an expenditure of approximately $6,000, we can provide enough training to raise the annual income of an average participant from $4,400 a year to a post-training income of $12,500. If we assumed a 15 percent tax bracket for a typical farmworker now employed in the year round, full-time, unsubsidized job earning $12,500, their Federal tax contribution would reimburse the Federal Government for the cost of that training within a three to five-year period.

Nationally our program in 1993 served 47,500 farmworkers, provided training services to 15,000, and found jobs for 9,200 of those workers.

Our rationale for a national reserve is that migrant farmworkers travel from State to State. It is unfair and ineffective to place the responsibility for nonresidence on the governors. The ever changing characteristics of labor intensive production require national adjustments in service strategies and program design, and governors currently, although they have the option to seek to run the program, have consistently decided not to do so, usually supporting proposals from organizations like ours to operate the programs because of the unique needs of farmworkers.

The existing network of statewide and multi-State farmworker service organizations have been successfully placing farmworkers in year round jobs since 1973. We believe that all or part of several programs could be successfully consolidated into the 402 Program because they have similar purposes and goals and all provide education and training to adult farmworker populations, and we have attached a list of those for your consideration.

If these programs were considered to be folded into XXXX section XXX 402, they might help maximize the use of limited resources, facilitate the development of a uniform definition of farm work and farmworkers, foster collaboration, enhance the provision of more customer friendly services for farmworkers, consolidate multiple or conflicting service approaches and philosophies, and provide much needed budget savings through the above-mentioned efficiencies.

ROI has been successfully combining several different Federal programs into a comprehensive, holistic, family oriented delivery mechanism that places the farmworker and his or her family in the center of a seamless delivery system, and I have enclosed a list of the many Federal sources that we have put together into a multi-funding package.

The development of our delivery system has been a monumental effort and has taken years to achieve. The many different administrative requirements, different reporting forms, proposal guidelines, and financial and program audit requirements have resulted in unnecessary administrative cost and lost opportunities to serve farmworkers.

With the combination of programs legislated under one office with uniform goals, objectives, definitions, application procedures, reporting forms and evaluations, we could move a long way toward providing cost-effective efficient services.

In conclusion, there are several occupational hazards that result in a unique combination of factors that separate farm work from other occupations. Those conditions are labor intensive production agriculture requires the availability of a large pool of unskilled workers. The income for farmworkers is among the lowest of any worker in the U.S. work force. Many farmworkers travel long distances to follow the crops and, therefore, do not have community roots and support systems.

It is in our national interest to provide training, employment, and support services that will create opportunities for farmworkers to fully contribute their enormous energy into the labor force of our country.

Thank you.

[The prepared statement of Mr. Mitchell follows:]

TESTIMONY OF STUART J. MITCHELL

Good Morning Mr. Chairman, I am Stuart J. Mitchell, President and CEO of Rural Opportunities, Inc. ("ROI"), a 25 year old regional, private, not-for-profit farmworker services and community development corporation operating in New York, Pennsylvania, New Jersey, and Ohio. We provide services to and advocate on behalf of disadvantaged migrant and seasonal farmworkers and other rural poor. I have worked with farmworkers and farmworker service organizations for the past 27 years and have been the President and CEO since 1977.

I am here representing the Association of Farmworker Opportunity Programs (AFOP), a national federation of farmworker employment, training, and support service agencies, both private and public, that receive funding under Title IV, Section 402 of the Job Training Partnership Act (JTPA).

Thank you for the opportunity to testify before this important subcommittee. I am prepared to discuss the conditions under which the consolidation of training and employment programs for farmworkers can be effective.

There are two conditions that must be fully integrated:

- Farmworker employment and training programs must be centrally administered from the national level, and
- Several farmworker employment and training programs with goals similar to that of the JTPA Title IV, Section 402 program should be combined.

As the subcommittee with jurisdiction over employment and training legislation, I understand that this committee is considering ways to improve training services through consolidation of overlapping programs thereby maximizing use of limited resources. As you know, the major program that provides training and education services to farmworkers, both adults and youth dropouts, is the JTPA, Title IV, Section 402 program administered by the U.S. Department of Labor. This one program offers a comprehensive array of services to meet the employment, training, and support service needs of seasonally employed farmworkers.

As Congress has directed, the purpose of the Section 402 program is two-fold. We are first and foremost engaged in assisting those farmworkers who have been displaced from farm work and are interested in finding year-round, full-time, unsubsidized employment. At least half of our annual resources are directed toward this effort. Secondly, we assist those farmworkers who wish to remain in farm work by helping them stabilize their seasonal, intermittent employment pattern with emergency and other support services.

In 1993 an independent evaluation sponsored by the U.S. Department of Labor reported that the JTPA Section 402 program was effectively serving one of the hardest to serve populations within the JTPA system. As the 1993 Section 402 program data shows, compared with the JTPA Block Grant (Title II), the farmworker program serves twice as many dropouts, has the highest percentage of participants reading below seventh grade in the whole of the JTPA system, and works with individuals who have twice as many barriers to employment. Even though the farmworkers we serve confront many more barriers than Title II clients, our entered employment rate and average wage at placement is comparable. Because the educational, job training, and other development needs of farmworkers are so much more severe, we expend an average of $1,100 more on training our participants in order to prepare them for full-time, year-round unsubsidized employment. I have included a chart which compares characteristics of Section 402 clients with JTPA Block Grant participants and which also favorably compares our success rates. As you can see, we are doing as well or better in training and placing a significantly harder to serve population.

National Summary of JTPA Title II-A
compared to JTPA Title IV, Section 402
for Program Year 1993

Source: USDOL, OPME	TITLE II-A (Adults)	JTPA SECTION 402
Terminee Characteristics (%):		
School Dropout	24%	57%
Reading Below 7th Grade Level	16%	41%
Lacks Significant Work History	33%	80%
Multiple Barriers to Employment	26%	57%
Limited English	*	36%
Outcome Summary:		
Entered Employment Rate	65%	60%**
Employment Enhancement Rate	NA	47%
Follow-up Weekly Earnings	$246	$236***
Working 32 hrs/week or more	75%	100%
*Cost Summary:		
Per Participant	$2,066	$3,717
Per Entered Employment	$5,025	$6,179
Per Positive Termination	NA	$1,992

* Compete PY 1993 financial information is not available at this time. Unit costs here represent PY 1992 experience.

** 60% placed of those receiving training services, 74% when adjusted for Enhancement Rate.

*** Wage rates paid in rural communities tend to be lower than those paid in urban/suburban communities.

Our experience at Rural Opportunities shows that for an expenditure of approximately $6,000 we can provide enough training to raise the annual income of an average participant from $4,409 to a post-training income of $12,542. If we assume a 15% tax bracket for a typical farmworker now employed in a year-round, full-time unsubsidized job earning $12,500, their federal tax contribution would reimburse the federal government for the cost of their training within a three (3) to five (5) year period. Nationally in Program Year 1993, Section 402 served 47,547 total farmworkers and provided training services to 15,280 with 9,200 of these obtaining full-time employment.

The results of this training and employment program show that many hard to place migrant and seasonal farmworkers have become productive, contributing citizens within our economy. These individuals may have otherwise ended up homeless or on the public assistance roles.

We believe that this program has been particularly effective because of its central administration at the national level within the U.S. Department of Labor. By having a national reserve account, the program is able to effectively address the unique structural aspects of labor intensive agriculture throughout the United States. Our rationale for a national reserve that is nationally administered is:

- Migrant farmworkers move from state to state. They are, therefore, not residents of any particular state, and thereby often do not meet residency and other state-based eligibility requirements for programs and services. It is unfair and ineffective to place responsibility for non-residents upon the governors.
- The ever changing characteristics of labor intensive production agriculture, including crop failures, weather-related factors, and consumer demand, all result in shifting employment patterns that require national adjustments in service strategies and program design.
- If we maintain a nationally administered program to assist farmworkers in finding stable employment both within and outside of agriculture it will be more cost effective than 50 different state administered programs.
- At current funding levels, if allocations of 402 funds were made to states and territories, many states would have insufficient funds to operate an effective program.
- Multistate delivery systems such as ours have proven to be a very cost effective and creative way to reach farmworkers.
- Governors currently have the option to seek to run the program but consistently decide not to do so, usually supporting proposals of more effective, efficient, non-governmental organizations able to meet the unique needs of farmworkers.

- National administration will facilitate the necessary coordination among states who must deal with the impact of agriculturally related employment trends, because of national and international market fluctuations.
- The existing network of statewide and multistate farmworker service organizations have been successfully placing farmworkers in year round jobs since 1973.
- The JTPA, Section 402 model has been tested and retested and proven effective.

We have read with great interest two bills that were introduced by Congress in the last session. They are, the Careers Act introduced by the Honorable William Goodling from Pennsylvania, and the Employment Enhancement Reform Act, introduced by the Honorable William Zeliff from New Hampshire. We believe the approaches offered by these bills in establishing a national reserve and folding in several complimentary and related programs into one nationally administered employment and training program under JTPA Title IV, Section 402 is an appropriate approach to improving job training services for farmworkers.

Although some farmworker programs would not be appropriate for consolidation, such as Migrant Health, Migrant Headstart, and Migrant Education for in-school youth, we believe that all or part of several current programs could be successfully consolidated into the Section 402 program because they have similar purposes and goals and all provide education and training to the adult farmworker population. These programs are:

- Transitional Adjustment Assistance (NAFTA Retraining Response);
- JTPA, Part H, Youth Fair Chance Program;
- JTPA, Section 455 Training and Technical Assistance, Housing Assistance to Farmworkers;
- Title XXII, Subsection C of the 1990 Farm Bill, Emergency Assistance to Low-Income Migrant and Seasonal Farmworkers;
- College Assistance Migrant Program (CAMP);
- High School Equivalency Program (HEP);
- Family English Literacy Program;

- Migrant Education Even Start Program (MEES);
- Handicapped Migratory Agricultural and Seasonal Farmworker Vocational and Rehabilitative Services Program;
- P.L. 100-297, Section 381, Adult Migrant Farmworker and Immigration Education Program, and
- Community Services Block Grant, Discretionary Program for Migrant and Seasonal Farmworkers.

However, this may not be all of the programs that could be consolidated. Therefore, we would be interested in discussing other programs that may be proposed.

If these programs are consolidated into JTPA, Section 402, this may help to:

1. Maximize the use of limited program resources by reducing the oversight and administrative costs associated with several federal agencies and program operations offering the same or similar services to the same population.
2. Facilitate development of a uniform definition of farm work and farmworkers which can be used among all service programs targeting the same population.
3. Foster collaboration and reduce the potential for duplication among and between service providers and programs.
4. Enable uniform, national data collection and policy research.
5. Enhance the provision of more customer-friendly services for farmworkers.
6. Consolidate multiple or conflicting service approaches and philosophies so that programs are more responsive to farmworker needs.
7. Provide budget savings through the above mentioned efficiencies.

In spite of the current lack of integration of federally funded programs serving migrant and seasonal farmworkers, Rural Opportunities, Inc. has been successful in combining several different federal programs into a comprehensive, holistic, family-oriented delivery mechanism that places the farmworker and his or her family in the center of a seamless delivery system.

EST COPY AVAILABL

The following chart demonstrates the approach many farmworker employment training service providers, including ROI, have adopted.

RURAL OPPORTUNITIES, INC. DIRECTORY OF SERVICES* FOR MIGRANT & SEASONAL FARMWORKERS	FEDERAL FUNDING SOURCES
Adult Training and Employment programs	JTPA Title IV, Section 402 HHS Administration for Children & Families CSBG Discretionary USDOE Even Start USDOE Basic Migrant Grant
Youth and Adult Education Programs	
Partnerships with Employers	
Public Policy Initiatives and Advocacy	
Migrant Head Start and other Services for Children	HHS Migrant Head Start Program USDA Food Assistance
Health, Nutrition, and Safety Programs	HHS Public Health Service AmeriCorps HHS Administration for Children & Families Center for Disease Control
Housing Development, Property Management and Services	USDA Farmers Home Administration USDOL JTPA Title IV, Section 402 CSBG Discretionary HUD Section 8 Rental Assistance HUD Hope 3 HUD CDBG DOE Weatherization HHS LIHEAP
Economic Development (small business development)	Small Business Administration Farmers Home Administration
Emergency and Support Services	USDOL JTPA Title IV, Section 402 FEMA

* In addition to federal sources, we have many state, local and private program resources.

As you will note, we have combined a considerable number of grants, that together begin to meet the needs of migrant and seasonal farmworkers.

We firmly believe that the best, and frankly, only delivery system that can meet the multitude of needs faced by migrant and seasonal farmworkers is one that combines the following elements into its delivery system:

a. Farmworkers, as the primary customer, must be able to provide ongoing advise and direction regarding their concerns and problems. Farm work is a constantly changing occupation and the only way to truly understand the real needs of workers is to be a customer-based program delivery system.

b. Services must be provided at the time and location which best enables the worker to remain employed so as not to disrupt the agricultural harvest. Therefore, service delivery must occur evenings and weekends and during down times of employment.

c. Many farmworkers' primary language is not English. Those who work with farmworkers must be able to understand and communicate in the language and culture of farmworkers if they are to provide quality services.

d. A single point of service, accessible to farmworkers for employment and training needs must be the centerpiece of consolidated and coordinated services. Long term intervention must be encouraged if lifelong learning is to occur.

e. Must have a network of interstate collaborating organizations that can address migration patterns and agricultural related disasters and emergencies.

The development of our delivery system has been a monumental effort that has taken years to achieve. The many different administrative requirements, different reporting forms, proposal guidelines, and financial and program audit requirements has resulted in unnecessary administrative costs. In addition, the lack of a results-oriented mission often results in contradictory and conflicting program objectives. With a combination of programs legislated under one office, with uniform goals and objectives, definitions, application procedures, reporting forms and evaluations, we would move a long way toward providing the cost effective, efficient services so necessary to meet the needs of migrant and seasonal farmworkers.

In conclusion, there are several occupational hazards that result in a unique combination of factors that separate farmwork from other occupations and thereby require special intervention by the federal government. Those conditions are:

1. Labor intensive, production agriculture requires the availability of a large pool of unskilled workers at intermittent periods of time throughout the year. This causes significant underemployment and unemployment for farmworkers.
2. Because of this intermittent employment and a general over supply of agricultural workers, the income for farmworkers is among the lowest of any worker in the U.S. work force. As a USDOL study found, 50% of seasonal agricultural worker families have incomes below the poverty level, despite the prevalence of families with multiple wage earners.
3. Many farmworkers travel long distances to "follow the crops", and therefore do not have community roots and support systems. This migration pattern means that they do not meet state residency requirements for eligibility for many state programs.
4. The enormous risks associated with the production of agricultural crops because of the uncertainties of weather, natural disasters, market forces, over production, and chronic low prices for raw agricultural products severely affect the wages, working and living conditions of farmworkers.

Yet, migrant and seasonal farmworkers are essential to the production of agricultural products. For many, agricultural employment is their entry into the labor market. They know, as well as their employer, that it may not be their career of choice. It is in our national interest to provide training, employment, and supportive services that will create opportunities for farmworkers to fully contribute their enormous energy to the labor force of our country. Our programs have demonstrated beyond doubt that they can effectively help farmworkers reach their American dream. Please continue your long standing commitment to farmworkers.

We stand ready to assist you in your effort to consolidate and streamline program administration and delivery. But this will only help farmworkers if there is a separate, nationally administered program that consolidates various appropriate services into a holistic program to meet the needs of this national workforce. Of course, through any consolidation effort, it would be advisable to establish a national farmworker advisory committee composed of JTPA, Section 402 program operators and AFOP to provide guidance to the federal agency and to report to Congress on progress and improvements needed. There has never been a national farmworkers' service providers committee that would focus on service improvements, advise Congress on further consolidation, and recommend ways of improving service delivery.

We greatly appreciate your interest in learning more about the complexity of providing opportunities to farmworkers who wish to participate in your goal of lifelong learning. Thank you.

Summary of Employment and Training Service Programs for Migrant and Seasonal Farmworkers:

Potential Programs for Consolidation into the Job Training Partnership Act, Title IV, Section 402 Program

U. S. Department of Labor

(Main Program) Job Training Partnership Act, Title IV, Section 402
Administered by : USDOL, Employment and Training Administration, Office of Special Targeted Programs' Division of Seasonal Farmworker Programs to private nonprofit organizations and public agencies through a biennial competition on a State or substate basis.
Purpose: To enable migrant and seasonal farmworkers and their dependents to obtain or retain employment, to participate in program activities leading to their eventual placement in unsubsidized agricultural or nonagricultural employment, to participate in activities leading to stabilization in agricultural employment, and to receive related assistance and supportive services. The §402 program provides literacy, adult basic education, English-as-a-Second-Language (ESL), high school equivalency diploma (GED), college assistance for up to two years, occupational and other job specific skills training, job development, job counseling, job placement, follow-up counseling post-placement, pesticide safety training, and training and non-training related supportive services (including but not limited to stipends, transportation, relocation, child care, food, clothing, housing, medical, referral to other community services, and emergency disaster assistance).
Authorization: $35,710,000

Transitional Adjustment Assistance (NAFTA Retraining Response), NAFTA's Sections 501 - 507 amending Chapter 2 of Title II of the Trade Act of 1974 (establishing the Trade Adjustment Assistance program) and the JTPA, Title III (EDWAA) Program
Administered by: USDOL, Employment and Training Administration, Office of Worker Retraining and Adjustment Programs
Purpose: To address the issue of employment dislocation that may result from international trade agreements, such as NAFTA, and to provide workers in primary and secondary firms who have permanently lost their jobs with training, opportunities, and resources to find appropriate reemployment. The program also offers affected workers with both rapid and early intervention and the ability to engage in long-term training and self-employment.
Authorization: $43,000,000 (percentage of program for farmworkers)

JTPA, Part H, Youth Fair Chance Program
Administered by: USDOL, Employment and Training Administration, Office of Work-Based Learning
Purpose: To ensure access to education and job training assistance for youth residing in high poverty areas of urban and rural communities, to provide a comprehensive range of education, training, and employment services to disadvantaged youth who are not currently served or are underserved by Federal education and job training programs, enable communities with high concentrations of poverty to establish and meet goals for improving the opportunities available to youth within the community, and facilitate the coordination of comprehensive services to serve youth in such communities. At least one grant is required to be made available to serve migrant and seasonal farmworkers.
Authorization: $250,000,000 ($49,785,000 current appropriation with 1/16 for a farmworker youth fair chance program or $3.2 million)

JTPA National Activities, Section 455, Training and Technical Assistance, Housing Assistance to Farmworkers

Administered by: USDOL, Employment and Training Administration, Office of Job Training Programs, National Activities Account. (Although funds are authorized under §455, ETA has drawn up to $3 million annually from the §402 account to pay for such activities.) Grants are competed nationally to private nonprofit organizations.
Purpose: To provide technical assistance to training programs for housing for migrant and seasonal farmworkers.
Authorization: $3,000,000

U. S. Department of Agriculture

Emergency Assistance to Low-Income Migrant and Seasonal Farmworkers, Title XXII, Subtitle C, Section 2281 of the 1990 Farm Bill

Administered by: USDA, Office of the Secretary of Agriculture through grants to private nonprofit organizations and public agencies.
Purpose: To provide emergency and related assistance to low-income migrant and seasonal farmworkers who are impacted during times of disaster or other agricultural-related emergencies as determined by the Secretary of Agriculture.
Authorization: $20,000,000

U. S. Department of Education

College Assistance Migrant Program (CAMP)

Administered by: USDOE, Office of Elementary and Secondary Education, Office of Migrant Education through grants to institutions of higher education or private nonprofit organizations.
Purpose: To assist migrant and seasonal farmworkers enrolled as first-year undergraduates to make a successful transition from secondary to post-secondary education.
Authorization: $2,204,000

High School Equivalency Program (HEP)

Administered by: USDOE, Office of Elementary and Secondary Education, Office of Migrant Education through grants to institutions of higher education or private nonprofit organizations.
Purpose: To prepare migrant and seasonal farmworkers to obtain a High School Equivalency Certificate (GED) and assist them with their transition to a high education institution, job training program, or full-time employment.
Authorization: $8,088,000

Family English Literacy Program

Administered by: USDOE, Office of Bilingual Education and Minority Languages Affairs through grants to private nonprofit organizations, local education agencies, and institutions of higher education.
Purpose: To help adults and out-of-school youth achieve English language competence and provide instruction on how parents and family members can facilitate the educational achievement of their children.
Authorization: Not Available

Migrant-Education Even Start Program (MEES)

Administered by: USDOE, Office of Elementary and Secondary Education, Office of Migrant Education through grants to state education agencies who subcontract with nonprofit organizations.
Purpose: To provide literacy training for parents of migrant farmworker children and help the migratory parents become full partners in the education of their children by integrating early childhood education and adult education.
Authorization: $3.1 million

BEST COPY AVAILABLE

Handicapped Migratory Agricultural and Seasonal Farmworker Vocational and Rehabilitation Services Program

Administered by: USDOE, Rehabilitation Services Administration through grants to private nonprofit organizations and public agencies.
Purpose: To provide vocational and rehabilitation services to handicapped migratory and seasonal farmworkers and services to family members who are with them.
Authorization: $1,421,000

Adult Migrant Farmworker and Immigrant Education Program, (P.L. 100-297, §381)

Administered by: USDOE, Office of Bilingual Education and Minority Languages Affairs to state education agencies with subgrants to local education agencies with requisite number of eligible children.
Purpose: To provide supplementary education services for migrant and immigrant children enrolled in elementary and secondary public and private schools.
Authorization: $30,000,000 for immigrant program, adult migrant program authorization $ (unknown)

U. S. Department of Health and Human Services

Community Services Block Grant, Discretionary Program for Migrant and Seasonal Farmworkers

Administered by: Administration for Children and Families, Family Support Administration, Office of Community Services through grants to private nonprofit organizations and public agencies, including historically Black colleges and universities.
Purpose: To alleviate the various causes of poverty at the community level and to offer continuing education to migrant and seasonal farmworkers to increase participant employment opportunities. A special set aside of $300,000 is available to historically Black colleges and universities.
Authorization: $3,084,000

Chairman McKEON. Thank you very much.
Mr. Drach.

STATEMENT OF RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS

Mr. DRACH. Thank you very much, Mr. Chairman.

My name is Ron Drach. I am the National Employment Director for the Disabled American Veterans, a private, nonprofit veterans service organization. It is a position I have held since 1975.

Mr. Chairman, many good things have happened to me throughout my life, and perhaps one of the most significant is I have never been unwillingly unemployed, and that is due in large part to two federally administered programs, one the VRAA, the Veterans' Readjustment Appointing Authority, and the other is the VA's Vocational Rehabilitation Program.

So I bring that to your attention only because I want us to be mindful of the fact that not all federally run programs are necessarily bad or bureaucratic. They do impact on people's lives very positively.

Mr. Chairman, I was intrigued by some of the conversation earlier about vouchers. You know, I would recommend that you talk with Secretary Jesse Brown and his staff. We have had a very successful voucher program in this country for 50 years. We celebrated the 50th anniversary last year, and that is the GI Bill, and it is the first and probably only successful voucher program in this country.

Assurances are built into that program because the VA has a very successful working relationship with the States. It is a very unique Federal-State relationship. They have a system of State approval agencies. So this helps to buffer against these fly-by-nights that set up for a short period of time, go in a program, get some money, and then leave. There is a very effective program there, and I think it should be looked at.

Mr. Chairman, I would like to point out that veterans do not have targeted employment programs. Rather, we have a delivery system, a delivery system that has been around since at least the Wagner-Peyser Act in 1930s, but we do not have a work force preparation program. We have a little bit of the GI Bill, which has been very successful, but when we get out into the labor market itself, there are no specific programs targeted for us.

I would also like to point out that veterans are the only population in this country that are a product of the Federal Government. We are veterans because of Federal Government policies and programs, and as such, we think that the responsibility for veterans' employment and training programs should rest with the Federal Government.

Also, in any one-stop center concept or any other block grant program, we believe that unless veterans are targeted as a priority group, we will not be served, and we have history to show that. CETA did not serve veterans. JTPA does not serve veterans. If we get served, it is not because we are veterans. It is because we meet some other criteria.

Perhaps most representative of that is people getting out of the military today are being let go because we won the Cold War. We are discharging 275,000 people a year, men and women, into the civilian labor force. We are spending anywhere between $70,000 and $80,000 to take a person off the street, train them to be a military person. On the other end, when they are getting discharged, we are spending $36 to train them through what we call a TAP Program, Transition Assistance Program, which gives them a little bit of information about resume writing and interview skills, and that is the extent of it.

I think it is deplorable, Mr. Chairman, that we are willing to spend $70,000 to train somebody to be a military person and then at the end when we no longer need them throw them out with a $36 training program, and it is not even a training program. It lasts two and a half days. We think more should be done with that.

Dislocated workers. Veterans are not classified as a class as dislocated workers or targeted in the dislocated worker programs. This is in spite of the fact that veterans make up 14 percent of the civilian labor force, but 26 percent of the dislocated worker force.

I do not know who can have a better claim on dislocated worker than the person who just won the Cold War and now we no longer need them and we are discharging them. Yet the Department of Labor will not identify them as dislocated workers.

The one-stop center, Mr. Chairman, we think that as that progresses that veterans need to and must have priority of services. I mentioned the VA Vocational Rehabilitation Program. I would also like to point out with the GI Bill that that has been a very successful voucher program, and we would hope rather than looking at repealing those programs in Title 38 that you look very closely at those programs.

I mentioned early on about the veterans not being served unless they are targeted, and I will conclude by one last statement. Veterans are not even served sometimes when they are targeted. Public Law 103–446 dealing with homelessness says, in part, that Federal grants made available to assist community organizations that assist homeless individuals, a share of such grants more closely approximating the proportion of a population of homeless individuals who are veterans should be provided to community organizations that provide assistance primarily to homeless veterans.

Mr. Chairman, homeless veterans make up about 35 percent of the homeless population. HUD just announced $25 million in 47 grants the day before yesterday, I believe it was, and not one was given to a veterans organization even though 12 organizations applied. So Federal statute says that we are supposed to be served proportionately, and HUD has totally ignored it, and their response was VA takes care of veterans.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Drach follows:]

STATEMENT OF
RONALD W. DRACH
NATIONAL EMPLOYMENT DIRECTOR
DISABLED AMERICAN VETERANS
SUBCOMMITTEE ON POSTSECONDARY EDUCATION, TRAINING,
AND LIFE-LONG LEARNING
COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C.
MARCH 23, 1995

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

On behalf of the more than one million members of the Disabled American Veterans (DAV) and its Women's Auxiliary, I want to thank you for the opportunity to appear before you today to discuss our nation's system of delivering employment services to its citizens, particularly veterans of the U.S. Armed Services.

The DAV commends you, Mr. Chairman, for the timely conduct of this hearing because of the severe negative impact many proposals and recommendations being considered would have on our nation's veterans and disabled veterans.

Mr. Chairman, I do not believe anyone would deny that national security is a federal responsibility. The federal government cannot give the states block grants to raise an army and to define what is needed to provide for a strong national defense. Our founding fathers realized that this responsibility and authority should rest with the federal government. This is evidenced by the fact there have been employment benefits and initiatives for our nation's veterans since the Revolutionary War. These are earned benefits. No one would even suggest that such a responsibility be given to the states.

It is the DAV's unwavering position that the cost of benefits and services to those veterans who served honorably in the military in the national interest are a responsibility of the federal government and not the states.

Mr. Chairman, regrettably, there are those in the Congress who would repeal certain provisions of Title 38 USC that provide employment and training programs to our veterans. Some of those provisions are contained in Chapter 41 Title 38 USC I need to point out here, Mr. Chairman, that Chapter 41 is not an employment and training program and should not be categorized with the Job Training Partnership Act (JTPA) or any of the other employment and training programs currently under review and discussion.

The program embodied in Chapter 41 is a "delivery system" whereby job seeking veterans can receive assistance from dedicated personnel as needed. As a matter of fact, our nation's veterans do not have a targeted employment and training program in this country. Rather, their access to employment and training programs is through a delivery system.

Mr. Chairman, we are concerned that any new system that is devoid of specific priority of services for veterans will result in veterans not being served. Historically, there is a misperception that all of veterans' needs are taken care of by the Department of Veterans Affairs (VA). As such, veterans are forgotten when employment and training programs are left to the states, cities, and counties.

Since the demise of the Manpower Development Training Act (MDTA) of the sixties, veterans have not been served by employment initiatives, including JPTA and its predecessor, the Comprehensive Employment and Training Act (CETA).

Regrettably, Mr. Chairman, time did not permit the needed research to provide data showing that veterans are not and have not been served under programs that did not specifically identify them as a target population. Implementers of local programs serve those who are mandated to be served by federal law. We cannot emphasize strongly enough our support for a system that provides continued priority of services for our nation's veterans.

Transition Assistance Program (TAP)

Mr. Chairman, several years ago, the Department of Defense (DoD), Department of Labor (DOL), and the VA established the Transition Assistance Program (TAP) to assist military service members in the transition from military to civilian life. TAP is a three-day briefing in which soon-to-be-discharged military members are provided information on job seeking skills such as resume writing, and interview skills. Beyond that, very little is done to assist in the transition from military service to civilian life.

According to the DOL, an average of $36 a person is spent to provide this type of service. I would like to contrast that with the estimated amount -- $70,000-$80,000 -- spent to take a civilian and turn him or her into a military person. The difference is obvious.

Mr. Chairman, we are discharging approximately 275,000 military members each year. Other than the $36 per person spent through TAP, little is being done to maximize the employment of these individuals. Someone once said, "A recession is when your neighbor is unemployed and a depression is when you are unemployed." Mr. Chairman, all too many of these military members are facing a depression. When a major announcement comes from a large corporation like IBM or General Motors (GM) that a huge lay off is forthcoming, a strong effort is made to ease the transition from employment to unemployment and back to employment. Efforts are made to provide meaningful employment assistance to those affected so that their unemployment time will be minimized.

Approximately three years ago on March 18, 1992, DAV sent a letter (copy attached) to then Deputy Secretary, DOL, Delbert Spurlock, regarding the DOL's efforts on behalf of employees of GM. Part of that letter reads as follows:

> Based on information received from a recent article in the Employment and Training Reporter, the Department of Labor is prepared to do more for people who are potentially going to be laid off from General Motors (GM) than they are for our nation's military....
>
> To a large degree, many of today's separating military are in a position similar to that of GM -- they are being let go involuntarily. In response to the potential layoffs at GM "rapid response teams" have been established to provide assistance to these workers.
>
> The article reveals the DOL:
> "... has created a task force to determine how best to respond to GM workers needs. The team, established one day after the plant closures were announced, will be headed by John Schall.... The team will act as an advisory board and help states file requests for Title III discretionary funds so they can be processed quickly...."

I am attaching Mr. Spurlock's, June 4, 1992, response. Please note throughout this response, he talks about the Defense Conversion Adjustment (DCA) Program, JTPA Title III discretionary account, and "Rapid Response." He also mentions the Office of Economic Adjustment (OEA) at the DoD and the Economic Dislocation and Worker Adjustment Assistance Act (EDWAA). All of this in the context of helping civilians who were affected by base closures and military downsizing.

Totally devoid from his response, Mr. Chairman, is the issue I raised in my letter -- the impact of the military downsizing on military service members, not civilian employees. Mr. Spurlock's letter addresses only initiatives for affected civilians. We believe it is a national tragedy that our federal government is willing to spend so much money to train a civilian to be a military member, but when that military member is no longer needed, he or she is hung out to dry. We should be ashamed of ourselves.

The irony of this, Mr. Chairman, is that GM never asked for help. Their plan was to reduce its work force by approximately 74,000 over the ensuing several years. Please contrast that to the military downsizing of 275,000 a year. In the aforementioned article a GM spokesman said that they did not anticipate layoffs but, "The vast majority of job losses will be handled through regular and accelerated attrition."

Mr. Chairman, GM did not ask for help, but we are. We suggested then, and believe today, that similar efforts should be undertaken for our nation's service members who are being let go because of the end of the Cold War. They need more than a $36 training session. These individuals are not even treated as "dislocated workers" under current legislation and other programs designed to assist dislocated workers. Veterans do not have an employment program they can call their own. Rather, they have to rely on the existing system of the Disabled Veterans Outreach Program (DVOP) specialists or the Local Veterans' Employment Representatives (LVERs) to assist them in finding employment or find employment on their own. They cannot walk into a local employment security office and identify themselves as a veteran and expect to be enrolled in a training program under JTPA .

Mr. Chairman, also attached is a copy of a November 6, 1990, letter to former Secretary of Labor Elizabeth Dole. This letter is a response to Secretary Dole's including us in a review of the nation's public Employment Service (ES). A history of the federal government's involvement with our nation's war mobilization and demobilization efforts is delineated therein. Additionally, attached is a March 24, 1994 letter to Assistant Secretary of Labor for Veterans' Employment and Training Preston Taylor regarding the efforts of his "reinvention teams."

Mr. Chairman, in March 1991, Congress enacted legislation establishing an Advisory Committee on Veterans' Employment and Training (ACVET) (Section 4110 Title 38 USC). The purpose of this committee is to:

> "(A) assess the employment and training needs of veterans;
>
> (B) determine the extent to which the programs and activities of the DOL are meeting such needs.

The Committee had its first meeting in December 1994 and met again March 14-15, 1995. There was considerable discussion regarding some of the pending legislation and the impact it would have on the service delivery system designed for veterans.

During the course of the-day-and-a-half meeting many issues were discussed. An official from the DOL Employment and Training Administration (ETA) discussed the dislocated worker program. It was confirmed that veterans as a class are not targeted in any of the dislocated worker initiatives. Mr. Chairman, by anyone's definition, these military service members are being dislocated. All too many are being let go involuntarily and should receive the highest priority and consideration in designing and implementing initiatives for our country's dislocated workers.

Earlier DOL data revealed that veterans comprise approximately 26 percent of the dislocated worker population. By contrast veterans make up only 14 percent of the civilian labor force. Clearly, veterans are impacted at a rate almost twice their incidence in the labor force.

The Committee found totally unacceptable the fact that under current budgeting initiatives only about 30 percent of the dislocated worker population will be served.

The ACVET members were also informed that in FY 1994 2.5 million veterans were looking for employment and 560,000 (22 percent) were placed in a job at an average cost of $432.74 per placement. Translated, just over 1 in 5 job seeking veterans received employment. It should also be pointed out that a placement is defined as a job lasting more than 3 days.

By contrast it has been reported that "More than 11.6 million job seekers received job search assistance from the ES last year |FY 1994¬ and over 3.3 million were referred to jobs." (Emphasis added.) Proportionally, the job service was able to provide job referrals to 28 percent of its clientele.

We do not believe these numbers reflect a lack of desire by personnel working within the system. The burdens placed on the system over the last 25 years and the continuing decline of resources makes it difficult to have a meaningful labor exchange system. It has been estimated that somewhere between 70 to 90 percent of all jobs filled are never advertised or listed anywhere, but filled through personal contacts and networking. We also believe that because of the sheer numbers seeking assistance through the job service, personnel are unable to provide the necessary services that will result in meaningful placement. We are of the opinion too much time must be spent in responding to the client who is physically waiting than doing job development and file searches for other clients.

One-Stop Center

Mr. Chairman, we have every reason to envision the "One-Stop Center" will replace the current system of providing employment services to our nation's unemployed. We believe these centers should provide veterans priority services in all activities administered through the centers. It is important that there should be continuation of the LVER and DVOP efforts to provide meaningful employment services to our nation's veterans in One-Stop Centers.

We are also concerned that there has been discussion about repealing certain programs administered by the VA to include Chapters 30, 31, 32, and 35 of Title 38 USC. The DAV opposes these efforts, and will resist, with particular intensity, efforts to diminish the purpose and scope of benefits provided under Chapters 31 and 35.

Mr. Chairman, last summer we celebrated the 50th Anniversary of the GI Bill. During the course of various ceremonies, it was pointed out by many, that the GI Bill created at the end of World War II has produced today's middle class. The GI Bill worked in the past and continues to work to provide meaningful education and other training opportunities for our nation's veterans.

All too often, what is missing is the link between that training and actual job placement. By working together, the VA and the DOL's VETS can bridge that gap and assure that those veterans receiving training through current GI Bill initiatives will indeed obtain and retain meaningful employment.

There has been considerable discussion about a "voucher system" for our nation's unemployed. Rather than attempting to repeal the GI Bill programs administered by the VA, those programs should be looked at as successful "voucher" programs. These programs are the original voucher program and have worked well. When an eligible veteran determines his or her own goal (in many cases, following intensive counseling by VA personnel -- services not available at the ES) the individual makes application and receives a certificate of eligibility (voucher). That certificate is then taken to the education institute or employer (in the case of on-the-job training,) which in turn, is completed and sent back to the VA. Upon the start of training, payments are made to the veteran and/or the school.

Employment Situation of Veterans

The DOL has published the results of a survey of veterans conducted by the Bureau of the Census for the Bureau of Labor Statistics as a special supplement of the September 19, 1993, Current Population Survey (CPS). This survey showed that 9 out of 10 Vietnam era veterans were between the ages of 35-54, 9 percent were Black, 3 percent were Hispanic, and 2 percent were female.

About half of the Vietnam era veterans surveyed served in the Vietnam theater of operations. The labor force participation rate of Vietnam theater veterans and Vietnam era veterans was approximately the same at 88 percent. This means

12 percent were not even in the labor force, they were unemployed but not counted as such.

About 10 percent of the Vietnam era veterans reported service-connected disabilities and 70 percent of the Vietnam era, service-connected disabled served in Southeast Asia. Veterans rated at 10 and 20 percent had labor force participation rates of 82 percent, 9 percentage points lower than that of non-disabled veterans; even so, their unemployment rates were approximately the same at 4 percent. The unemployment rate for female Vietnam era veterans was 7 percent, compared to 4.8 percent for women who had not served in the armed forces.

Disabled and non-disabled veterans were found to be working in similar occupations. However, disabled veterans were 2 1/2 times more likely to be employed by the federal government than their non-disabled counterparts. Also, 20 percent of the disabled veterans were employed by the federal government, compared to 8 percent of the non-disabled veterans.

When disabled veterans were asked whether their disability had ever prevented them from obtaining or keeping employment, about 3 out of 10 disabled veterans from the Vietnam era reported this had occurred. Among those who are unemployed and not in the labor force, about 4 out of 10 believed their disability is an obstacle in the labor market. It is important to note that for Vietnam era disabled veterans rated at 60 percent service-connected disabled or more by the Department of Veterans Affairs, 80 percent were not in the labor force. This compares to 88 percent of the non-disabled Vietnam era veterans being in the labor force.

Nearly one-half the male veterans from the Vietnam era participated in special education and training programs following their military discharge. Disabled veterans were more likely than non-disabled veterans to have participated in such programs.

Of the 1.2 million female veterans, 180,000 served during the Vietnam era making up about 2 percent of the veterans of the Vietnam era. While their labor force participation rate of 82 percent was higher than that of non-veteran women age 35 to 54 (about 75 percent of all women veterans), their unemployment rate was 7 percent, compared to 4.8 percent for women who had not served in the armed forces.

Mr. Chairman, I believe these data support the need for a continuing effort on the part of the Department of Labor through its federal/state network of employment service offices to provide priority of services to veterans. These veterans have earned this right.

Mr. Chairman, I am also attaching a March 1995 DAV "Employment Bulletin," which discusses the President's proposed FY 1996 budget for the Veterans' Employment and Training Service. We advised the recipients of this bulletin of our concerns with pending legislation and have urged them to contact their elected officials to oppose any negative changes to current systems that provide employment services for our nation's veterans.

I would like to emphasize that funding for the DVOP and LVERs comes from a special fund --- The Federal Unemployment Tax Act (FUTA) --- the monies do not come from general tax revenues but a special tax paid by employers. A full 97 percent of funding for the employment service comes from this fund, and only 3 percent comes from general tax revenue.

Mr. Chairman, I would like to bring to your attention some other issues that although not specifically related to veterans are, I believe, important in discussions on how a future employment security system should look. In a February 21, 1995, Wall Street Journal article, it was reported that "Employers have a dismal view of the ways schools and universities prepare people for the workplace...."

The Census Bureau did a survey of 3,347 companies for the U.S. Department of Education. Among its findings: "... managers estimate that one out of every five U.S. employees isn't proficient in the job. Meanwhile jobs require higher levels of skills as U.S. companies increasingly find themselves battling for market share with overseas competitors.... Teacher recommendations rank at the bottom of eleven criteria used for hiring, and student's grades ranked ninth.... The three top criteria for hiring, according to the survey, were an applicant's attitude, his or her communication skills, and previous work experience."

Homeless Veterans

Mr. Chairman, the Department of Housing and Urban Development (HUD) has recently increased its estimate of the number of homeless veterans on any given night from 250,000 to 280,000. The 250,000 estimate has been used for a number of years, and the increase by 30,000 certainly raises cause for concern. Is this an increase based on an inability to address the needs of those previously identified as being homeless or are more and more veterans becoming homeless on a daily basis? Perhaps a combination of both is true. Regardless of the reason, efforts must be expended to end the tragedy of homelessness among our nation's veterans.

Anecdotal information reveals that many veterans who served in the Persian Gulf are living on the streets. I believe this is due, in part, to the fact that some joined the military to get away from a bad family situation in an effort to improve their opportunities. Some were wounded or injured and discharged because of disability. Others completed their tour of duty, and others were let go because the military no longer needed them. Regardless of the reason for their discharge, there should be no reason for their being homeless.

Mr. Chairman, several years ago, VETS initiated a pilot project for outreach to homeless veterans in an attempt to provide needed employment and training services. This program is commonly known as the Homeless Veterans Reintegration Project (HVRP). Recent action by the House of Representatives has proposed rescinding approximately $5 million from the FY 1995 appropriation level, essentially abolishing the program. The President's FY 1996 budget requests only $5 million for this program. This will enable DOL to serve only approximately 8,200 homeless veterans. That is less than 3 percent of the estimated population of homeless veterans.

We believe the present appropriations for the remainder of FY 1995 should be restored and the FY 1996 budget request should be increased.

I mentioned earlier that veterans do not get served unless they are identified as a target population. Regrettably, that is not true in all instances. Public Law 103-446, Section 1005(2) states in part "... of the federal grants made available to assist community organizations that assist homeless individuals, a share of such grants more closely approximating the proportion of the population of homeless individuals who are veterans should be provided to community organizations that provide assistance primarily to homeless veterans." (Emphasis added.)

Mr. Chairman, it has been estimated that 35 percent of the homeless population are veterans. Yet, on March 20, 1995, HUD announced the 1995 Innovative Homeless Project Funding awards. HUD announced the awarding of forty-seven grants totalling more than $25 million, but not one grant was awarded to a community organization that provides assistance primarily to homeless veterans.

This is in spite of the fact that at least a dozen homeless veterans service providers applied. HUD's position on homeless veterans is summed up in the March 20-26, 1995, issue of The Stars and Stripes where it is reported:

> HUD Public Affairs spokesman Jack Flynn denied the agency isn't helping homeless veterans, saying HUD "assists any homeless." The catch according to Flynn, is that while community-based organizations can apply for HUD's homeless funds, programs specifically for veterans would be the VA's responsibility. (Emphasis added.)

Mr. Chairman, I again want to thank you and members of the Subcommittee for soliciting the DAV's views to discuss the critical issue of delivering meaningful and comprehensive employment services to our nation's veterans. I would be pleased to respond to any questions you may have.

Motto "If I cannot speak good of my comrade, I will not speak ill of him."

DAV

DISABLED AMERICAN VETERANS

NATIONAL SERVICE and LEGISLATIVE HEADQUARTERS
807 MAINE AVENUE, S.W.
WASHINGTON, D.C. 20024
(202) 554-3501

March 18, 1992

Mr. Delbert Spurlock
Deputy Secretary
U.S. Department of Labor
200 Constitution Ave., N.W.
Washington, D.C. 20210

Dear Mr. Spurlock:

Thanks for your remarks at the meeting hosted by Acting Assistant Secretary David Ritterpusch. It was clear that you have a commitment to our nation's veterans, especially those active duty members who are soon to be discharged.

The Department of Labor has worked long and hard to establish a Transition Assistance Program which is very helpful to our separating military. However, the emphasis has come from the Veterans' Employment and Training Service (VETS) and the support of the Local Veterans' Employment Representative (LVER) and Disabled Veterans' Outreach Program (DVOP) personnel at the military base level. We question, however, if enough is being done by the Department of Labor agency wide.

Based on information received from a recent article in the Employment and Training Reporter, the Department of Labor is prepared to do more for people who are potentially going to be laid off from General Motors (GM) than they are for our nation's military. While we do not object to providing this type of assistance to GM workers (many of whom are possibly veterans) we are concerned that the same type of emphasis and strategies are not being applied to our nation's military.

To a large degree, many of today's separating military are in a position similar to that of GM -- they are being let go involuntarily. In response to the potential layoffs at GM "rapid response teams" have been established to provide assistance to these workers.

The article reveals the Department of Labor:

" ... has created a task force to determine how best to respond to GM workers needs. The team, established one day after the plant closures were announced, will be headed by John

BEST COPY AVAIL

Schall.... The team will act as an advisory board and help states file requests for Title III discretionary funds so they can be processed quickly....

"The team will include representatives from the Employment and Training Administration, the Office of Labor Management Standards, the Bureau of Labor Management Relations and Cooperative Programs, and the Wage and Hour Division."

All of this activity was initiated as a result of an announcement that GM plans to reduce its work force by approximately 74,000 people over the next several years. A spokesman for GM, however, states in the article that GM never said it would lay anyone off but "The vast majority of job losses will be handled through regular and accelerated attrition."

The obvious major difference between the military and GM is that the military is definitely going to reduce its active military force over the next five years through means other than attrition, while GM hopes to reduce its work force through regular and accelerated attrition.

We believe the same type of response to the GM announcement should be put into place for our service men and women soon to be discharged. As you have pointed out, many of them may need retraining and could obviously benefit from programs administered through the Private Industry Councils (PIC). While many of the individuals will not stay in the same locale where they will be discharged, it is important they be made aware of the potential benefits available through the Job Training Partnership Act (JTPA) upon their return to a permanent address.

Other programs should be developed that will allow those individuals who need it to enroll in basic skills and education programs. Other retraining efforts should be reviewed and made available when and where possible. We believe the JTPA network should become part of the Transition Assistance Program so these individuals are aware of services beyond those provided by LVERs and DVOPs.

Additionally, the Department of Labor should identify discretionary funding that would allow these individuals to pursue the retraining necessary to prepare them for today's economy. It is interesting to note that between GM and the United Auto Workers (UAW) there is $1.6 billion available to help retrain and place workers in other jobs. Regrettably, that amount of money has not been made available to retrain and place our military in other jobs.

We stand ready to assist you and other officials of the Department of Labor in establishing a more comprehensive approach similar to that available for GM employees.

I look forward to your response and reaction to these issues.

Sincerely,

COPY

RONALD W. DRACH
National Employment Director

RWD:dlw

cc: Mr. David Ritterpusch
Acting Assistant Secretary for Veterans'
Employment & Training
U.S. Department of Labor

Major William Crews
Special Assistant for the Office of the
Assistant Secretary for Veterans' Employment & Training
U.S. Department of Labor

U.S. DEPARTMENT OF LABOR
DEPUTY SECRETARY OF LABOR
WASHINGTON, D.C.
20210

JUN 4 1992

Mr. Ronald W. Drach
National Employment Director
Disabled American Veterans
807 Maine Avenue, S.W.
Washington, D.C. 20024

Dear Mr. Drach:

Thank you for your letter regarding the use of Federal Job Training Partnership Act (JTPA) funds to serve military personnel impacted by defense-related layoffs.

We appreciate the concern expressed in your letter. I want to assure you that the Department of Labor (DOL) is equally concerned with the problems being faced by workers impacted by reductions in expenditures for national defense. In fact, DOL has in place a specific program, the Defense Conversion Adjustment (DCA) Program, to assist such impacted workers. This program is funded at a level of $150 million through September 30, 1993. Unlike the basic JTPA dislocated worker program, which may assist dislocated workers regardless of the cause of their dislocation, including defense impacted workers, the DCA program may serve only defense impacted workers.

Considerable assistance has already been provided. DOL has, to date, approved over $43 million in programs to assist defense impacted workers. Since some $37 million of this amount was provided out of the Secretary's basic JTPA Title III Discretionary Account, some $143 million of the $150 million is still available specifically for defense impacted dislocated workers.

The DOL regularly participates in meetings throughout the country to address the Defense downsizing, including general meetings and meetings to address particular base closings. Further, within the next few months, DOL will be holding meetings with all State and local job training officials to discuss a number of issues, including specifically the State's role in responding to military base closing situations as well as the opportunities for applying for DCA program funds.

When an announcement of a layoff or base closing is made, special teams within each State provide "Rapid Response" assistance at the base or specific company. The Rapid Response team may provide information on the services available to the workers and general labor market information, assess the needs of the affected workers, and coordinate the development of appropriate training and readjustment strategies. Support for the establishment of a labor-management committee, made up of employer representatives and workers to oversee the delivery of readjustment services, is another critical element of Rapid Response.

While programs within DOL focus on worker adjustment, the Office of Economic Adjustment (OEA) within the Department of Defense works with communities in which there are major economic impacts because of base closures or reductions in defense industry employment. The OEA supports the impacted communities by funding local planning organizations and the development of economic adjustment strategies. The objective of its program is to restore economic stability through new employment opportunities. The DOL's Office of Worker Retraining and Adjustment Programs works closely with OEA and participates with communities in the adjustment process. As the date for closure approaches, the actual effect on workers can be more accurately defined and applications for DCA funding developed to assist those workers.

We appreciate your concerns and thank you for bringing them to our attention. I have enclosed a brief description of the basic JTPA Title III program, known as the Economic Dislocation and Worker Adjustment Assistance Act (EDWAA), for your information. If you have other specific concerns or problems that you feel we have not addressed, please feel free to contact Mr. Robert N. Colombo, Director, Office of Worker Retraining and Adjustment Programs, on 535-0577.

Should you have any further questions, please have a member of your staff contact Robert N. Colombo, Director, Office of Worker Retraining and Adjustment Programs, on 535-0577.

Sincerely,

Delbert L. Spurlock, Jr.
Deputy Secretary of Labor

Enclosure

Roy - feel free to call me if this does not do the trick

Del

U.S. DEPARTMENT OF LABOR

ECONOMIC DISLOCATION AND WORKER ADJUSTMENT ASSISTANCE ACT (EDWAA)

EDWAA amended Title III of the Job Training Partnership Act, and authorizes retraining and readjustment assistance for dislocated workers.

ELIGIBILITY: Dislocated workers who are unlikely to return to their previous industries or occupations are eligible for participation. This includes workers who lose their jobs because of plant closings or mass layoffs; long-term unemployed persons with limited local opportunities for jobs in their fields; and farmers, ranchers and other self-employed persons who become jobless due to general economic conditions or natural disasters. Under certain circumstances, displaced homemakers also qualify for assistance.

SERVICE DELIVERY STRUCTURE: Each State is divided into substate areas. Most programs are designed and operated at the local level, based on local labor market needs and opportunities.

The Governor of each State has the primary responsibility for overall administration and management of the program, including the establishment of a system to respond rapidly to major worker dislocations.

Funds are made available to the States each year using a distribution formula based on unemployment in each State.

SERVICES AVAILABLE: The EDWAA program offers an array of comprehensive and timely retraining and readjustment services, tailored to meet participants' individual needs, including long-term job preparation.

Major activities and services allowable under the EDWAA program include:

o **Rapid Response**. Each State has a Dislocated Worker Unit (DWU) which responds to plant closings and mass layoffs. The DWU is alerted to some of these closings and layoffs by notices received under the advanced notice law, the Worker Adjustment and Retraining Notification Act (WARN). When a DWU obtains information about a major layoff, it responds with on-site services to assist workers facing job losses. The DWU may also help to set up a labor-management committee at the worksite and/or assist in efforts to avert worker dislocations.

o **Retraining Services**. The primary purpose of EDWAA is to provide educational and occupational training to workers who have lost their jobs. This training may include: classroom, occupational skills, and/or on-the-job training. Basic and remedial education, entrepreneurial training, and instruction in literacy or English-as-a-second-language may also be provided.

o **Readjustment Services**. These include: outreach and intake; development of individual service plans; labor market information; job development; job search and placement; supportive services (including child care and transportation allowances); relocation assistance and pre-layoff assistance programs.

o **Needs Related Payments**. Dislocated workers who have exhausted their unemployment insurance (UI) may receive needs-related payments while they complete training. Payments may not exceed the individual's UI benefits or the poverty level, whichever is higher.

To qualify, participants must be enrolled in training by the end of the 13th week of their initial UI benefit period (or by the end of the 8th week after being informed that a short-term layoff will in fact exceed 6 months). An eligible worker who does not qualify for UI must be participating in a training or education program to receive needs-related payments.

o Certificates of Continuing Eligibility. These certificates allow eligible dislocated workers to defer the start of retraining, or to obtain their own retraining.

The National Reserve Account (NRA) Program

States, substate grantees and other eligible applicants may apply for NRA program grants from the U. S. Department of Labor's Employment and Training Administration (ETA) to administer and operate projects for eligible workers dislocated due to mass layoffs, plant closings, and Federal government actions. These grants are in addition to the States' ongoing EDWAA programs.

SERVICES AVAILABLE: The projects offer primarily the same services provided under the basic EDWAA program (i.e., retraining and readjustment services; and needs-related payments).

The following programs were created through 1990 amendments to EDWAA.

- **The Clean Air Employment Transition Assistance Program**

ELIGIBILITY: Dislocated workers who meet the eligibility requirements of the basic EDWAA program and who have been terminated or laid off, or have received a notice of termination or layoff as a consequence of a firm's compliance with the Clean Air Act.

SERVICE DELIVERY STRUCTURE: States, substate grantees, employers, employer associations, and representatives of employees may apply for Clean Air Employment Transition Assistance Program grants from the U.S. Department of Labor.

- **The Defense Conversion Adjustment (DCA) Program**

ELIGIBILITY: Dislocated workers who meet the eligibility requirements of the basic EDWAA program and who have been terminated or laid off, or have received a notice of termination or layoff as a consequence of reductions in expenditures by the U.S. for defense or by closures of U.S. military facilities.

SERVICE DELIVERY STRUCTURE: States, substate grantees, employers, employer associations, and representatives of employees may apply for Defense Conversion Adjustment Program grants from the U.S. Department of Labor.

♦ FOR FURTHER INFORMATION about the EDWAA programs described above, contact the local agency in your area that administers Job Training Partnership Act programs or your nearest State Employment Service Office, or write: U.S. Department of Labor, ETA, Office of Work-Based Learning, Rm. N-4703, 200 Constitution Avenue, N.W., Washington, D.C. 20210. Telephone: (202) 535-0577.

DAV

Motto: "If I cannot speak good of my comrade, I will not speak ill of him."

DISABLED AMERICAN VETERANS

NATIONAL SERVICE and LEGISLATIVE HEADQUARTERS
807 MAINE AVENUE, S.W.
WASHINGTON, D.C. 20024
(202) 554-3501

COPY

November 6, 1990

Honorable Elizabeth Dole
Secretary of Labor
Department of Labor
200 Constitution Avenue, NW
Room S2018
Washington, DC 20210

Dear Secretary Dole:

On behalf of the more than 1.3 million members of the Disabled American Veterans and its Ladies' Auxiliary, I want to take this opportunity to thank you for including us in your review of the nation's public employment service (ES).

Virtually since its inception, the Department of Labor (DOL) has been an intrinsic part of this nation's war mobilization and demobilization efforts. In fact, within three years of the creation of the Department of Labor, the Secretary of Labor headed the War Labor Administration, established during World War I. The Secretary was responsible for the coordination of all labor functions distributed among the various agencies of government.

During war mobilization, the ES has been a prime force mobilizing the civilian work force for war industries and in assisting in the transition of military personnel into the civilian work force during demobilization. In fact, the legislation (Wagner-Peyser Act of 1933) establishing the ES as we know it today, cited veterans as a group to be provided special priorities and preferential treatment in recognition of their service to the country.

In keeping with this historical mission, the Disabled American Veterans believes first and foremost that any labor exchange system, either as presently constituted or as may be restructured, must include veterans' preference requirements as well as priority of services as currently mandated by Title 38, U.S. Code, Chapter 41. With that in mind, we are particularly pleased with the comment contained in your letter which states in part, "What I propose will in no way alter present veterans' preference requirements, nor reduce services available to veterans." We very much appreciate your recognition and support of the need to provide priority services to our nation's veterans.

BEST COPY AVAILABLE

Because of the changing political climate between the United States and Soviet bloc countries, certain things are happening: a) reducing contracting for military equipment and supplies; b) decreasing the number of our military personnel; and, c) reducing the Department of Defense civilian work force.

These changes are creating higher numbers of unemployed veterans during a period of economic downturn. This is made abundantly clear from the September 1990 Bureau of Labor Statistics (BLS) data which shows that Vietnam era veterans unemployed (age 35 and over) increased by .5% from September 1989. This represents 42,000 veterans.

Even more striking is a comparison of Vietnam veterans to nonveterans in the same age categories as follows:

AGE	VIETNAM-ERA VETERANS		NONVETERANS	
	Sept. 89	Sept. 90	Sept. 89	Sept. 90
35 to 49	3.2	4.0 (+.8)	3.3	3.3
35 to 39	4.8	6.1 (+1.3)	3.6	3.3 (-.3)
40 to 44	2.8	3.9 (+1.1)	3.2	3.5 (+.3)
45 to 49	2.5	2.8 (+.3)	2.8	3.2 (+.4)

The vast number of Vietnam era veterans are age 35 to 49. Their unemployment increased almost a percentage point in one year. This represents 51,000 more unemployed veterans.

Approximately 46% of Vietnam era veterans in the labor force are age 40 to 44. This compares to only 29% for nonveterans. Unemployment for these veterans increased 1.1% in the 12 month period September 1989 to September 1990, nonveterans .3%. The percentage of unemployment for Vietnam veterans 40 to 44 years old is now 6.1% compared to only 3.5% for nonveterans.

Also, we cannot ignore the movement of a great number of troops to Saudi Arabia to stop the aggression of Iraq. These events cry for a well funded and properly directed labor exchange system that ensures priority services to veterans.

We agree with your statement that "...constantly changing Federal directions and priorities have left states and the public confused about..." the ES mission. The ES role has been obfuscated by funding levels that have declined significantly from the early 1970's and the Department of Labor retreating from its oversight role by reducing reporting requirements and failing to provide direction to state agencies. This has created an environment in which the employer, applicant and DOL expectations could not possibly be met.

EST COPY AVAILABL

During the Vietnam conflict, a study was conducted to determine how well the ES and DOL were meeting veterans' employment and training needs. Kirschner and Associates prepared a report for DOL entitled, "National Evaluation of Manpower Sources for Veterans," dated October 1972. The conclusion and policy implication section of the report (page 37, volume 1) indicated:

> It is evident that we do not have a comprehensive policy or a set of policies designed to deal with the employment problems of returning veterans, particularly during periods when those problems are the most pressing--near the end of major military actions. Great effort is expended by the military services to assure the transition of recruits from civilian to military life. Relatively little effort is expended, however, to assure the transition in the reverse direction, since, of course, military missions and goals necessarily are the first concern of the military establishment.
>
> There has been insufficient effort following all recent wars to attend these major problem areas:
>
> -- the decline in aggregate demand that tends to accompany the winding down or demobilization period;
>
> -- the conversion of military skills to related civilian skills;
>
> -- the removal of institutional and personal barriers that confront many returning veterans seeking employment, and;
>
> -- the lack of significant incentives for employers to hire veterans over nonveterans.
>
> Although improvements can be made, it is unreasonable to expect that the Federal-State Employment Service System can solve these problems; in large part, it cannot even address them. (Emphasis added.)

The study cited a number of administrative and fiscal problems that precluded the DOL and ES from providing the legally mandated veterans' services. Many of the problems cited in this 1972 study are repeated in more current GAO citations and studies referred to later in this letter.

Since that study, employment services to veterans have continued to deteriorate. For example, federally authorized positions in the ES peaked at about 49,000 in 1978. The agency is currently operating at about one-half that staff level today (Malcolm S. Cohen, David W. Stevens, "The Role of the Employment Service"). The ES has never recovered from the budget cuts suffered in the early 1980's.

As the ES budget declined, it became dependent on other employment and training dollars which also declined from $10.8 billion to approximately $6.9 billion in 1988 -- a reduction of nearly 40%. As these other funds declined, so did the supplement to the ES.

The administration's requested funding cuts occurred in spite of statutory mandates such as those contained in Title 38, U.S.C., Sections 2006 and 2007. These sections require the Secretary of Labor to request adequate funding for each eligible veteran applicant to be provided a service and to establish administrative controls to ensure such services are provided.

Your statement "...the percent of job seekers using the ES to find work has dropped from 30 percent in 1970 to 21 percent in 1988...." implies that fewer people use the ES. In fact, the DOL has relaxed reporting requirements and states now commonly underreport the number of people seeking help because they may not be registered until after they receive a service. For example, some states take partial applications during group intake. These applicants may not be reported. Following the group intake, if it appears the person can be referred to a job, they may be called in to complete the application for reporting purposes. This scheme reduces the number of applicant files that are inactivated without a reportable service. It appears this process is a violation of Title 38, U.S.C., Section 2007. We believe the data understates the number of people requesting services.

The failure of the Department of Labor to hold the state agencies to higher reporting standards appears to be a political convenience. It is easier to disclaim what you do not know.

The notion of reviewing and restructuring the ES is not new. As recent as 1986, I was asked to serve on a DOL committee to review the ES to determine how it should be structured for the future. Regrettably, that committee never met. The DOL instead held "field hearings" soliciting the views of interested parties. That series of hearings resulted in a June 1987 final report entitled, A Reexamination of the Employment Service: Analysis of Public Comments in Response to the Federal Register Notice.

We believe any review of the existing system cannot take place without incorporating the views and comments obtained during those field hearings. Between personal appearances and written responses, a total of 700 people or organizations offered views on the ES. That large number cannot be ignored in developing plans and strategies for the future. The questions you raise in your recent letter are similar to the ones posed in 1986.

EST COPY AVAILABL

We also recommend that you incorporate into your deliberations, the August 1989 General Accounting Office (GAO) report, submitted to the Chairman of the Subcommittee on Employment Opportunities, Committee on Education and Labor, U. S. House of Representatives, entitled Employment Service Variations and Local Office Performance.

The following are some highlights:

- The ES provides job service assistance to over 18 million applicants a year (NOTE: although not in the report, data from July 1, 1988 through June 30, 1989 reveals a total of 2.3 million veterans registered for those services. This is approximately 13% of all applicants).
- Funding for the ES has not kept pace with inflation, although its workload has remained roughly constant. From 1982 through 1987, funding levels increased by 19%. However, when adjusted for inflation, there was an actual real dollar decline of almost seven percent from 1984 to 1987.
- Local and state offices varied in the ability to place applicants in jobs.
- Stronger performers tended to be concentrated in certain states.
- The ES is providing less individualized assistance and less guidance to applicants in identifying career choices than in the past.
- Percentage of placements in permanent jobs ranged from 80% or more to less than 40%.
- Local offices with above average performance tended to be concentrated in certain states. Florida, Georgia, Massachusetts, New Hampshire, North Carolina and South Carolina had twice the rate of local offices having above average performances.
- Michigan, New Jersey, Rhode Island and West Virginia had more than double the national percentage of local offices with below average performances.
- Above average states had lower costs per placement than those below average.
- Although the ES workload stayed about the same from 1980 to 1987, the number of local offices providing one-on-one assistance and counseling or testing services declined. State officials attributed these declines to budget cutbacks.

- Since 1980, the number of applicants receiving counseling has declined by 30%. This is in spite of conclusions by researchers that counseling can play an important role in assisting ES staff members with obtaining additional information that can lead to better job matches (in program year 1989, less than 190,000 veterans were counseled). State officials attribute this to budget cutbacks.

- From 1981 to 1987, the number of counselors declined by 34%.

- Testing has been shown to improve assessments of applicants' skills and abilities which leads to increased placements. Of 14 offices visited by GAO, four had eliminated all testing services, eight had reduced the proportion of applicants tested.

- Twenty-seven percent of offices used group intake which was virtually unheard of before 1980.

When reviewing cost-effectiveness of the ES, it is interesting that those states who are above average, actually have a lower cost per placement rate for all placements. This is also true for permanent job placements. For example, cost per placement for above average states is $308 compared to $400 for below average states. In looking at permanent jobs, above average states' placement costs are $337 compared to $370 for below average states.

It is obvious from this data that it is cost-effective to be an above average state and also points out that the system with better funding and management directives can be an effective system.

The GAO has continued its review of the ES. On October 16, 1990, Franklin Frazier, Director, Education and Employment Issues, Human Resources Division of GAO, appeared before the Subcommittee on Employment Opportunities of the Committee on Education and Labor, U. S. House of Representatives. The title of the testimony provided by Mr. Frazier is "Employment Service: Leadership Needed to Improve Performance."

Again, any undertaking to review or restructure the ES cannot be undertaken without considering very seriously Mr. Frazier's comments. Some of the highlights of his testimony follow:

- As GAO previously reported, ES placement perfomance varies dramatically across states and local offices. For example, some local offices placed over a third of their job seekers, while other offices found jobs for less than 10% of the job seekers using their services. The variance in ES performance was not random, but was related, at least in part, to state and local practices within the control of ES managers.

- State management practices associated with better performance included setting measurable performance goals and providing incentives to recognize local office achievements; and conducting frequent on-site monitoring of local offices. GAO also found certain aspects of local office operations improved performance including, attentiveness to employer and applicant needs, extensive interaction with the JTPA program, and separation of ES and local Unemployment Insurance (U.I.) office functions. However, many state and local ES programs have not adopted these or similar practices.

- The DOL has found it difficult to balance its oversight needs against its concern to limit federal intrusion into state affairs. DOL's oversight activities provide little substantive information about how states manage their ES programs and how local offices operate.

- Some states may need DOL's help to improve the effectiveness of their programs.

- DOL needs to increase its leadership role to encourage poor performing states to adopt practices such as those identified in GAO's analysis.

- The state officials told GAO that on-site monitoring visits are critical to achieving high performances. GAO's analysis showed that local office performance was about 38% higher in states that visited most local offices each year. While no similar data are available for the veterans' employment program, we believe that the same or similar conclusions would be reached.

- The GAO also found that increased attentiveness to employer and applicants needs; more extensive interaction with the JTPA program; and greater ES autonomy from the local U.I. office increased placement performance.

- During periods of rising unemployment, when ES offices are collocated with the U.I. Office, ES staff may be reassigned to process benefit claims rather than help people find jobs. GAO found that ES offices separated from the U.I. office had better local ES office placement performance.

A third document that needs to be incorporated into your review is a paper authored by Malcolm S. Cohen and David W. Stevens from the University of Michigan and University of Missouri at Columbia, respectively. This paper is identified as a project funded by DOL's Commission on Work Force Quality and Labor Market Efficiency, entitled "The Role of the Employment Service." I will not at this time highlight the findings and recommendations, but urge that this too be included in your review.

I would like to respond to your questions in the sequential manner in which you pose them.

1. If the ES is expected to increase its penetration into the labor market, it must have a pool of qualified applicants to meet employer needs at all levels. At the same time, the applicant pool will not grow if jobs are not available. Currently, employers tend to view the applicant pool as poor in quality -- this has been documented. Better qualified applicants tend not to use the ES because they view the job listings as poor. The ES of the future must be a comprehensive labor market exchange system if it is to increase its effectiveness. Also, enforcement and oversight of the federal contractor job listing provisions of Title 38, U.S.C., Section 2012, is crucial.

2. If, in the name of efficiency, the ES focuses its services on U.I. claimants, it may so limit the applicant pool that it cannot offer employers good referrals. For example, when the economy turns down in an area (due to local or national economic impact), the pool of applicants unable to find other employment will become, at least for a time, extremely difficult to place. Often these trends do not affect employers across-the-board. One industry may be more negatively impacted than another. If the agency then focuses on these employees, as opposed to the employer's needs, the ES will expend more resources servicing fewer applicants and subsequently fewer employers. A more balanced approach should ensure a greater mix of jobs and applicants.

   Also, the stigma associated with U.I. claimants will taint the agency if a balanced approach is not used.

It should be pointed out that many U.I. claimants are "job attached" and seasonally laid off. They plan to go back to their job and are only U.I. recipients for a short period of time. They neither want nor need the services provided to job seekers.

3. Because the ES is a public agency, it has a greater opportunity and obligation to serve the disadvantaged. However, these services must be balanced against employer needs. The employer perception that the ES applicant pool predominately is made up of marginal employees will drive the employer away.

   Private employment agencies have developed a reputation for "creaming" or only serving the most placeable because of their profit motive. Unfortunately, factors affecting placements are not restricted to job qualifications or employee potential. Many people are disadvantaged because of the stereotypical misperception held by the public and reflected in employer hiring practices. The ES can improve these perceptions if the agency is respected because of its overall quality work.

4. The ES should not drop its placement activity to provide diagnostic services to other service providers. If it is to simply become the extension of another federally funded program, why fund it separately?

   At this time, ES funding has dropped so low that it provides fever and lower quality diagnostic services to anyone.

5. If the ES makes development and dissemination of labor market information its primary role and opens up its files directly to employers and applicants, a number of problems will result.

   First, the agency will have serious difficulty in reporting this type of service. This lack of reporting will continue the underreporting of activities. The agency will still be expected to provide services but without data to support adequate funding.

BEST COPY AVAILABLE

Second, to ensure that the application accurately reflects the applicant's characteristics, someone will have to assist in taking the application. Employers are unlikely to come to the agency to review applications to select potential employees. Most employers have a large number of applicants already. The ES service most enjoyed by employers is the prescreening of applicants and immediate referral of qualified applicants from the ES office. In this scenario, these services will most likely be lost and they are currently a fundamental part of the ES.

Third, for the disadvantaged applicant, the support services and diagnostic support which might convince the employer to consider them will be lost. The already diminishing support services appear to be lost in this scenario.

Fourth, much of the labor market data listed by the DOL results from the taking of applications, job orders and unemployment insurance reports. If these services are discontinued, this data source will be lost.

6. Employers are already being charged for ES services through the Federal Unemployment Tax Act. Why should they be charged an additional fee for special screening services? There is a $3.06 billion surplus projected in the Employment Security Administration account fund by 1992.

I suggest that aptitude and interest testing such as the General Aptitude Test Battery (GATB) not be used as a screening device for employer referral. Testing devices designed to provide such information are efforts to reduce a very complex world to a comparatively simple testing environment. Almost all of these test instruments were originally designed for use by trained counselors to be used with other information to predict the possible success of a person obtaining suitable employment. They were never meant to be the exclusive instrument in the hands of untrained ES personnel or employers to determine the acceptability of a particular referral. These instruments are somewhat predictive but severely limited in determining real world success.

These tools are designed to help individuals, with counseling guidance, limit the scope of their efforts to areas they are more likely to succeed in. They do not predict the failure or success of an individual.

> The reality is that good prospective employees may not score high in important areas. This should not eliminate them from consideration. The disadvantaged are most likely to feel the negative effects of such tests when they are used as screening devices.
>
> While we do not oppose "testing" as a counseling/evaluation process, we cannot condone its use as a referral tool. These tests cannot accurately reflect the real world.

We believe a properly funded and staffed ES agency providing labor exchange services has a legitimate function in the 1990's. A Department of Labor funded study entitled, "Workforce 2000: Work and Workers for the 21st Century" published by the Hudson Institute predicts:

- a decline in the growth of available labor force,
- a change in work force demographics,
    - an older work force,
    - increased female participation as a percentage of the work force,
    - increased minority participation as a percentage of the work force,
- increased educational and skill requirements for available jobs, and
- more growth in service industries.

The ES of the past functioned in a labor market with a surplus of workers. If the Hudson study predictions prove true, the ES will be seeking out applicants for employers instead of seeking out employers for applicants. Also, Hudson predicts that as workers become scarce in a growing economy, employers will turn more and more to the less educated and less skilled. Employers will be in the unenviable position, of not choosing the best qualified, but choosing the applicant who appears to be most trainable and dependable.

The ES role may shift emphasis, but should continue in much the same vein as it always has -- a network between applicant, employer and community resources such as training and applicant support services.

While the educated and skilled labor force participant will need the ES less than now, the employer will need the ES to assist in locating suitable employees for entry level positions and to match them with training and community resources.

BEST COPY AVAILABLE

The shift in employer service from applicant service may see a drop in placements but a higher quality of placements should result and an increase in linkage with training services will be needed.

Even so, the ES must strive to increase its job-ready applicant pool if it is to shake its image of serving only the disadvantaged. Such an image ensures a continued low level of penetration by employers which will ensure a more disadvantaged applicant pool.

We wish to stress that we support the concept of high quality service to all applicants and employers in a labor exchange system in which veterans receive priority services. There is little value to veterans in receiving priority services in a system which is dysfunctional. We also believe that the current ES framework, if properly funded, staffed and directed can be the labor exchange system for the 90's and beyond. No new inadequately funded, poorly staffed and improperly directed labor exchange system can provide any better services than currently exist.

Sincerely,

RONALD W. DRACH
National Employment Director

RWD:lrd

DAV

Motto: "If I cannot speak good of my comrade, I will not speak ill of him."

DISABLED AMERICAN VETERANS

NATIONAL SERVICE and LEGISLATIVE HEADQUARTERS
807 MAINE AVENUE, S.W.
WASHINGTON, D.C. 20024
(202) 554-3501

March 24, 1994

Mr. Preston Taylor
Assistant Secretary
VETS/DOL
Room S-1315
200 Constitution Avenue, N.W.
Washington, D.C. 20210

COPY

ATTN: Stanley A. Seidel, Desk Officer

Dear Mr. Taylor:

Thank you for the informative March 14, 1994 briefing regarding the efforts of the Veterans' Employment & Training Service (VETS) Reinvention committees.

Clearly the U.S. Department of Labor (DOL) and the VETS cannot ignore the impact of reduced budgets in the face of continuing veteran service needs. In a climate of reduced staff, less testing, relaxed or no standards for counselors or worse yet no counselors, reduced employer market penetration for job orders and the increasingly diminished employer perception of the Employment Service (ES), providing veteran services cannot continue in a business as usual atmosphere. Something must be done. Your staff has obviously dedicated tremendous thought and effort to their assigned areas.

These comments will focus on the "Draft Policy and Program Paper (Phase II)" which we received at the March 14, 1994 meeting.

The graphs at Exhibit I-1, I-2, and I-3 for the period 1986 through 1991 are very telling.

- The number of veteran applications taken by ES staff dropped nearly one-third while combined Disabled Veterans' Outreach Program (DVOP) and Local Veterans' Employment Representative (LVER) numbers increased dramatically. Importantly, LVER activities, which were less than 550,000 in 1986 climbed to approximately 800,000 by 1991.

- A number of veteran referrals by ES staff, which was already below LVER and DVOP staff referrals, dropped by approximately 75,000 while DVOP and LVER staff referrals increased. LVER referrals increased dramatically. Interestingly, an anomaly in 1990 shows ES staff increased veteran referrals while DVOP referrals dropped.

- The number of veteran placements by ES staff showed a dramatic decline while DVOP placement showed a decline until 1991 when DVOP placements increased. LVER placements steadily increased from nominal to approximately 160,000 in 1991.

A superficial analysis indicates that 1) VETS grants staff has taken over more responsibility for what was once ES grants activities; 2) LVERs have increasingly become intake and referral resources; and 3), DVOPs have replaced ES grants staff as the mainstream veterans' service providers of the ES agency.

- What impact did increased LVER direct referral placement activities have on VETS ability to ensure veterans priority of services by all ES staff?
- Is there a relationship between the decline in veteran services by ES staff and the changes in activities of the LVER?
- With the drop in veterans' services by ES staff, what did VETS do to monitor, and where feasible, reverse these trends?
- Will the proposed changes institutionalize what may have become an accomplished fact?

Our review of the "Draft Policy and Program Paper" leaves us with the following general concerns:

1) Whether intended or not, the proposal creates a veterans' unit which may lend itself to becoming more isolated from the very service system on which it depends to provide services and may have the following results:

   a) Veterans' priority of service by ES staff will not be monitored with a continuing decline in veterans' services by ES staff.

   b) The VETS grants staff, in a typical office, will be the sole provider of services to designated veterans. This may actually result in a drop in services to the

BEST COPY AVAILABLE

designated veterans where previously ES staff provided priority of services to these veterans.

c) While the proposed VETS unit concept may be more transportable, as a practical matter, their basic tools, the computer, job orders and employer network systems are associated with ES system.

2) The proposed system does not address veterans priority of service to be provided by ES staff.

   a) Who will provide an ongoing monitoring and training role?

   b) If the ES grant staff fails to provide veteran priority service,

      i) How will anyone know?
      ii) What actions will be taken to bring the agency into compliance?

3) While the proposal indicates that disabled veterans will receive the highest priority of service:

   a) Service connection is not mentioned as a factor in the decision to include the veteran in caseload management.

   b) Disabled Transition Assistance Program is never mentioned.

   c) While the title of DVOP is changed and their duties are assimilated into other job functions, the targeted services required to place disabled veterans and the caseload management systems, which resulted from the need to track the provisions of those targeted services, is not mentioned with the new job titles.

My general concern is that as the VETS redefines its role as an exclusively VETS activity and reduces it legislative responsibility of ensuring veterans' services across the agency, the current trend of services being increasingly provided by VETS staff will continue and probably increase with concomitant reduced services by other DOL activities.

VETS is currently dependent on ES systems (computers, etc.) to perform its direct service functions. It is unclear how VETS will obtain the financial resources to duplicate these existing systems and employer contacts if this staff is funded by grants to agencies other than the ES.

Sincerely,

RONALD W. DRACH
National Employment Director

RWD:mb

DAV EMPLOYMENT BULLETIN
a selection of items concerning employment and training of disabled veterans
NATIONAL EMPLOYMENT DEPARTMENT
DISABLED AMERICAN VETERANS
807 MAINE AVE. S.W. • WASHINGTON, DC 20024

EMPLOYMENT BULLETIN

MARCH 1995

DEPARTMENT OF LABOR VETERANS' EMPLOYMENT AND TRAINING SERVICE

We have reviewed the President's proposed FY 1996 budget for the Department of Labor's (DOL) Veterans' Employment and Training Service (VETS).

Our major concern with this proposed budget pertains to the Disabled Veterans' Outreach Program (DVOP) and Local Veterans' Employment Representative (LVER) program.

As we know, Title 38 U.S.C. Section 4103A mandates that the DOL make available sufficient monies to support a minimum number of DVOP specialists on a formula basis. The current formula requires that DOL provide sufficient funding to staff at least 1,999 positions. Yet, the FY 1996 budget request only provides enough funding for 1,700 positions -- 299 below the mandated level.

Section 4104, Title 38 U.S.C., mandates that DOL provide sufficient monies to support a minimum of 1600 full-time LVERs. The FY 1996 budget request falls short of that by 160 positions.

We believe that less than full funding is in direct conflict with law. We are not asking for anything more than what has been authorized. The authorizing committees -- the Senate and House Veterans Affairs Committees -- decided that a minimum of 1,600 LVERs and, based on a Congressionally mandated formula, 1,999 DVOP specialists are needed to provide statutorily mandated employment and training services to our nation's veterans, including those who were disabled while serving in the active military. We believe Congress has an obligation to provide that level of funding.

The law is very explicit in its language and provides no discretionary authority to deviate. Section 4103A states in part, "the amount of funds ... shall be sufficient." (Emphasis added.) Section 4104 likewise uses the same "shall be sufficient" language.

At a time when we are down-sizing our military forces, with the need of employment services for veterans ever increasing, as well as the Administration's high priority placed on homeless veterans, we believe that the budget should reflect the mandated level. This budget request impacts directly on the service delivery system affecting individual lives, not just the administration of such a system.

We are pleased with the FY 1996 budget request of $2,400,000 for the Transition Assistance Program (TAP), an increase of more than $500,000 over FY 1995. This program's value and effectiveness are demonstrated by studies which show that TAP participants, on average, get jobs three weeks earlier than other veterans.

TAP services are cost-effective because veterans get jobs earlier, start paying taxes earlier, and receive unemployment insurance for shorter periods of time. It has been estimated that this country spends somewhere between $70,000 and $80,000 per recruit to train a civilian for a military occupation. At the other end, when these individuals are being separated -- some earlier than expected -- the amount spent to retrain or assist them in the transition to civilian status is somewhere between $35 and $40. Thus, we believe the Administration's budget request for TAP is equitable and justifiable for a number of reasons.

We support the President's budget request of $2.8 million for the National Veterans Training Institute (NVTI). NVTI provides standardized training for DVOP and LVER personnel, others working in the Employment Security System, and those providing employment and training for veterans. With this level of funding, NVTI will be able to train in excess of 2,500 service providers.

Local employment and training initiatives for veterans are provided for under Title IV-C of the Job Training Partnership Act (JTPA). The President's budget requests $8,880,000 for this program -- $137,000 less than FY 1995.

The homeless issue also provides us with another area of major concern. On any given evening, it has been estimated that 250,000 veterans are homeless (the Department of Housing and Urban Development has just increased this estimate to 280,000). Several years ago, DOL initiated a pilot project for outreach to homeless veterans in an attempt to provide needed employment and training services. Given the high priority placed on the homeless by the President, we are disappointed that the level of funding requested for FY 1996 is only $5,011,000. This will enable DOL to serve only approximately 8,200 homeless veterans. This is less than 3 percent of the estimated population of homeless veterans. We therefore urge that more adequate funding be provided in this area.

H.R. 511 and H.R. 1120

Our concerns regarding the budget for DVOP and LVER will be irrelevant if H.R. 511 or H.R. 1120 are enacted into law. Both of these bills would repeal the legislative authority for DVOP and LVER.

H.R. 511, introduced on January 13, 1995, is designed "To provide for the establishment of a comprehensive and consolidated workforce preparation and development system in the United States." This bill was referred to the Committee on Education and Economic Opportunity.

Included in H.R. 511 is the repeal of veterans vocational training programs authorized under Chapter 106 of title 10 United States Code, and chapters 30, 31, 32, 35, and 41 of title 38, United States Code.

H.R. 511 is far-reaching. If enacted, all of the education programs under Title 38, including the Montgomery G.I. Bill, Veterans Education Assistance Program (VEAP), the Montgomery G.I. Bill for National Guard and Reservists, vocational rehabilitation, and education for certain dependents of deceased or 100 percent service-connected disabled veterans as well as the entire Veterans' Employment and Training Service would be totally abolished.

H.R. 1120 is designed "To provide for the consolidation of Federal employment assistance programs, to provide increased notice of the availability of the earned income tax credit, and to repeal the temporary FUTA surtax."

This bill was introduced on March 2, 1995 and has been referred to the Committee on Economic and Educational Opportunities. Section 122 of H.R. 1120 would repeal Sections 4103A, 4104 and 4104A of Title 38 U.S.C. Additionally, the Homeless Veterans Reintegration Project (HVRP) would be repealed.

Sections 4103A and 4104 are the authorities for DVOP and LVER, respectively. Section 4104A establishes standards of performance for these positions.

If either of these two bills were to be enacted, we would no longer have a DVOP or LVER program. It is imperative that you contact your elected officials immediately to register your opposition to the repeal of these sections as outlined above.

(4)

Senate Bills

Other bills have been introduced in the Senate that will do away with employment and training programs that have existed since the 1930s. The proposed legislation provides for the repeal of the authority for the State Employment Service, the Job Training Partnership Act and Title I of the Rehabilitation Act of 1973, and consolidates all these programs into a new more integrated employment initiative. Additionally, these proposals provide for the waiver of existing laws which appear to impede the purposes of the proposed legislation.

The justification for this new legislation is that 14 different agencies administer 154 separate job training programs. Some believe that the consolidation of these programs will reduce the cost and improve access to the applicants.

Much of the current legislation recognizes the need for readjustment, employment, and training services for military veterans. These new proposals do not provide for veterans to receive preferential or priority services.

Proposed Senate legislation provides for the repeal of programs which provide veterans priority for employment services, but do not include VA-administered programs. The two Senate bills of greatest importance are S.143, sponsored by Senator Nancy Kassebaum (R) Kansas, and S.180, sponsored by Senator Ted Kennedy (D) Massachusetts.

In general, theses bills provide:

- The repeal of the current major employment and training programs, many with veterans priority or emphasis in service;
- The creation of block grants to states to provide consolidated employment and training programs;
- The creation of state governors' councils and local service delivery agencies with no obligation to ensure veterans' representation;
- No special consideration for veterans' employment needs; and
- The creation of one-stop service centers, which provide for individuals to apply, receive eligibility determination, and be referred or enrolled into employment and training programs at a central location.

EST COPY AVAILABL

These bills will eliminate any national veterans priority in employment and training programs. The impact of this legislation, if passed in its current form, will mean that a disabled veteran who is currently eligible for VA Vocational Rehabilitation will have to apply for services in a program administered by the state and whose funds and eligibility requirements will vary from state to state. There is no reason to believe that a certain level of training, for instance, college training, will be available in any given state. In addition, because the block grant may run out, there is no guarantee that there will be sufficient funds to ensure that veterans receive the services currently available to them.

We urge you to contact your Senators registering your opposition to those provisions which would repeal specific veterans' employment initiatives.

Ronald W Drach
RONALD W. DRACH
National Employment Director

RWD:mb

Chairman McKEON. Thank you.
Ms. Stearnes.

STATEMENT OF CAROLYN STEARNES, VICE PRESIDENT FOR EMPLOYMENT DIVISION, SENIOR CITIZEN SERVICES

Ms. STEARNES. Let me assure you I am by now very mindful of the lights.

Mr. Chairman, I thank you for the opportunity to testify today for the National Council on the Aging on job training programs for older Americans. I am Carolyn Stearnes, past chair of the National Association of Older Worker Employment Services, which is an affiliate unit of NCOA, and a member of the NCOA board of directors. I am also Vice President of Employment Services for Senior Services in Memphis, Tennessee.

The National Association of Older Worker Employment Services is the only national membership group serving older worker employment and training service providers. Our members represent a diverse group of older worker programs, but we are all united in our concerns regarding the integrity and outlook for older worker programs.

Federal employment and training programs have been designed to prepare certain unemployed and underemployed Americans with the skills needed to gain access to jobs. However, history has shown that older adults have not been given equal access to these programs, nor to jobs in the work place.

Only when specific set-asides have been mandated by Congress have significant numbers of older adults begun to receive access to services and job. The time has come to look at employment and training through the eyes of an aging population and I also believe through the eyes of the business community.

U.S. Department of Labor statistics point out that there is a direct correlation between age and unemployment. The older one is at the time of layoff, the longer one will be unemployed and the lower will be the rate of pay that you go back to work at.

Age discrimination, coupled with rapidly changing work place technology makes it harder for older workers, as they become displaced, to get jobs.

We in the Older Worker Employment Network see these people every day. Increasingly we see the white collar worker who was downsized after 20 years of employment and finds that his skills now do not match the needs of the labor force. Job training is also particularly critical for older women. Forty-five percent of women who live alone live in poverty.

In 1990, only one out of five women received any type of pension income, and women of color were particularly unlikely to receive pensions. The average pension income for older women was only $4,915. For many older women employment is the only option to keep them above the poverty line.

It is against this backdrop that we call for continued support for older worker programs. In response to the various proposals put forth during the last several months, the National Council on the Aging believes that there are key design elements that should be included in any new or reviewed employment and training programs.

Number one, there should be an employment and training program specifically for mature workers that includes a minimum funding level based on the incidence of older individuals in the eligible population. I might also add that if that does not happen, anything else that I say really will not matter because if it is not there, they will not be served.

Lifelong learning, which has been discussed earlier, should be emphasized and incorporated into the program design for older adults.

Performance standards for older adult programs should include measurements other than just job placement.

Services must be designed that are customer driven and meet the customer needs through individual service strategies.

And finally, States should be required to competitively bid services with preference given to bidders, including community-based organizations who have demonstrated effectiveness in serving older adults.

We have spent approximately eight years working very hard to overcome many obstacles to develop what I think is becoming a stronger and more effective network to serve older individuals. It would be to me a tremendous disservice to the older people who are looking for work to dismantle that network at this time.

Thank you very much.

[The prepared statement of Ms. Stearnes follows:]

Carolyn Stearnes

INTRODUCTION

Mr. Chairman, I thank you for the opportunity to testify today, for The National Council on the Aging (NCOA), on Job Training programs for Older Americans.

I am Carolyn Stearnes, past chair of the National Association of Older Worker Employment Services -- which is an affiliate unit of NCOA -- and a member of the NCOA Board of Directors. I am also Vice President for Employment, Senior Services, Inc., in Memphis, Tennessee.

The National Association of Older Worker Employment Services is the only national membership group serving older worker employment and training services providers. Our members represent a diverse group of older worker programs. Some are service providers under the Job Training Parternship Act; some are Senior Community Service Employment Program directors; others have programs funded by the United Way, the private sector, city and/or county government or a blend of some or all the aforementioned sources. All are united in their concerns regarding the integrity and outlook for older worker programs.

The National Council on the Aging has been engaged in expanding the training opportunities for older Americans for more than 40 years. We have pioneered training for older workers since 1950 and have been involved in every major Federal employment program including the Manpower Development and Training Act (MDTA), the Concentrated Employment Program (CEP), Comprehensive Employment and Training Act (CETA), and the Job Training Partnership Act (JTPA) program, as well as being a national sponsor of the Senior Community Service Employment Program (SCSEP).

The right to economic security and self-sufficiency is a basic human right for all Americans, including older Americans. Congress has recognized the importance of this through legislation enacted to guarantee basic freedoms and access to services. All older adults should have equal access to services that lead to challenging and rewarding employment opportunities.

Federal employment and training programs have been designed to prepare certain unemployed and underemployed Americans with the skills needed to gain access to jobs. However, history has shown that older adults have not been given equal access to these programs nor to jobs in the workplace. Only when specific set-asides have been mandated by Congress have significant numbers of older adults begun to receive access to services and jobs. Traditional employment programs -- such as the Manpower Development Training Act (MDTA), Comprehensive Employment and Training Act (CETA), and portions of the Job Training Partnership Act (JTPA) -- have neglected to consider the needs of older adults when designing services and when recruiting customers for programs which lead to jobs.

NEED FOR OLDER WORKER PROGRAMS

Mr. Chairman, the time has come to look at employment and training through the eyes of an aging population and, I might add, the business community.

The U.S. Department of Labor statistics point out that there is a direct correlation between age and unemployment--the older one is at the time of layoff, the longer one will be unemployed, and the lower will be the rate of pay at which one is re-employed. Age discrimination coupled with rapidly changing workplace technology makes it harder for older workers, as they become displaced, to find jobs.

We in the older worker employment network see these people every day. Some are the traditional poor, with low or no income, marginal workforce participation rates, and low educational attainment; others are persons entering the labor market for the first time.

Increasingly, we are seeing the white collar worker who was "downsized" after 20 years or more of experience with an employer, and who now finds, as savings run out, that he or she has obsolete or surplus skills--a mismatch with the local labor market. These persons find it difficult to relocate; they need large amounts of support and retraining to again become viable, competitive employees.

Job training is in particular critical for older women. Forty-five percent of women who live alone live in poverty. For nearly one third of elderly divorced or widowed women, Social Security represents 90 percent of their income. In 1990, only one out of five women received any type of pension income, and women of color were particularly unlikely to receive pensions. The average pension income for older women was only $4,915 annually. For many older women, employment is the only option able to keep them above the poverty line and off welfare.

Older workers have proven to be valuable assets for virtually every employer. Older workers can be trained on new technology, they are flexible about work assignments and schedules; they have lower turnover and absenteeism than their younger colleagues. It is often found that older workers save companies money.

OLDER WORKERS REPRESENT A DIVERSE POPULATION

Allow me to illustrate the diversity of age, experience, education, and expectation among real older workers who now participate in programs designed for their needs.

Bill M., 72, found that returning to work improved his physical health as well as his ailing checking account. He explained: "My wife's medical bills ate up our savings -- I just couldn't make ends meet anymore." Bill, a widower, retired as an air-conditioning and refrigeration maintenance specialist. Through Title V and the JTPA Older Worker Program, Bill is taking a class to update his refrigeration maintenance skills; he incorporates this training during his 20-hour-a-week work experience job at the school district. Bill hopes to get hired as soon as he completes his retraining class.

Fred D., 57, is an admitted "problem drinker." A good worker, he was fired from his last job because he missed too many days of work attending to his wife's illness. He sold his only means of transportation, a bicycle, because he needed money to buy food. He said, "I wouldn't go to the welfare office. I have too much pride for that." Fred shares his experiences with an older worker employment specialist and with his peers through job search workshops. He has gotten a temporary job with the help of the counselor, but is looking for something better.

In his younger days, Joe M., 67, worked as a herdsman, pairing dairy-cattle for increased milk production. As he neared retirement age, his employer sold the farm, so Joe worked a short stint as a convenience store clerk. With the help of the JTPA Older Worker Program, Joe finally found a job working with elderly people as a nursing home activities assistant. He reports: "I had only been here a week and I decided, "Hey, this is what I want to do...these people need me ... If I can just make one person happy in the twilight of their age, that's where I fit in."

Martha S., 56, came to us out of desperation. Her husband of 30 years had divorced her and left her with very little money. Martha had a college education, but she had not worked outside her home in years. "I was terrified. I didn't know how to begin to look for a job. And competing with young, attractive women for office jobs -- I just felt so old. The JOB SHOP workshop helped me. Meeting regularly with other people my age helped me realize we were all in the same boat. Plus, I learned that I had lots of skills, despite my being just a housewife. My self-confidence was pumped up, and I learned some job search techniques that made me competitive. I now have a job, thanks to the JTPA Older Worker Program."

Mary P., 53, lost her medical records job when the hospital she worked for merged with a national company. Although she did not have a college degree, Mary had lots of experience and education. What she didn't have was computer experience. "I took the computer class through United Way (I wasn't eligible for JTPA because I'm too young!). She also attended JOB SHOP Thanks to both training experiences, and a lot of hard work and patience, Mary finally found a job at another hospital, with a salary $1,000 higher than for the job she had lost.

It is against this backdrop, Mr. Chairman, that we call for continued support for older worker programs.

KEY DESIGN ELEMENTS FOR OLDER WORKER PROGRAMS

In response to various proposals put forth during the past several months, The National Council on the Aging (NCOA) believes there are key design elements that should be included in any new and/or revised employment and training programs.

- **There should be an employment and training program specifically for mature workers that includes a minimum funding level based on the incidence of older individuals in the eligible population.**

Our communities need a variety of employment and training services designed specifically for older adults. History has proven that mainstreaming older persons into employment and training services for all ages often does not meet the specific needs of the older individual. When coordination and collaboration with other older adult programs is maintained at the local level, older persons are better served. The other programs, like the Older Americans Act programs, can help identify those who need services.

Work experience most definitely should be retained as one of the program options for older adults. With current work experience, many older adults can quickly become employable because of transferrable skills acquired through a life-time of experience.

- **Lifelong learning should be emphasized and incorporated into the program design for older adults.**

Educational initiatives should cover the full spectrum of services -- adult basic education, English as a second language, upgrading skills to learn new technology, retraining of employees to prevent job loss, training for job portability, training in current and effective job search methods, and counseling to plan for financial security.

- **Performance standards for older adult programs should include measurements other than job placements.**

Performance standards should include a measurement of customer satisfaction, as well as measures such as numbers of persons completing literacy classes, Adult Basic Education, or specific skills courses. Performance standards for wage at placement should reflect the diverse needs of older workers in that not all older individuals may desire a high-wage or a full-time position.

- **Services must be designed that are customer driven and meet customer needs through individual service strategies.**

Older adults may often need different types of services from employment and training programs than do younger persons. Specific methods of determining customer needs should include such things as an in-depth individual assessment completed jointly with the customer to determine a goal, or series of goals, and a joint exploration of the service needs necessary to reach those goals. This will result in a detailed service plan designed to meet individual customer needs.

- **States should be required to competitively bid services, with preference given to bidders, including community-based organizations, who have demonstrated effectiveness in serving older adults.**

There are hundreds of service providers across the United States who have vast expertise providing service to older adults who need employment and/or training services. Let those providers who have the experience have a chance to serve the older adult population. Currently many states automatically allocate the older worker set-aside money to the JTPA Service Delivery Areas. We suggest that there often are more experienced and more effective service providers for older adult services than the JTPA service system.

CONCLUSION

Mr. Chairman, it is important as Congress reviews job training programs that you do not forget older workers. Commitment to train the young must be matched by the commitment to make full use of the productive capacity of older workers.

Once again, Mr. Chairman, I would like to thank you for the opportunity to testify today.

###

Chairman McKEON. Thank you.

Mr. Williams.

Mr. WILLIAMS. Thank you.

Each of you represent a special population, I guess, with the exception of Ms. Pena who was part of a special population. Let me ask the four of you that represent special populations whether or not you want to continue the direct relationship of your population with the Federal Government or whether you would support a block grant to the States and let the States decide whether your special populations will continue to be served.

Ms. Jagiel, you responded to this in your testimony, but why don't you give us 15 seconds more in an answer?

Ms. JAGIEL. We would desire to continue our government-to-government relationship with the Federal Government, recognizing each individual tribe and not have any of our funds or our programs dispersed through State block grants. We find that we always suffer through that.

Mr. WILLIAMS. I would also comment, Mr. Chairman. As you know, out our way in the West we have a lot of tribes, including in my State of Montana, and those tribes have the original contract with America, and so there are some treaty obligations.

Ms. JAGIEL. Correct.

Mr. WILLIAMS. And, by the way, my tribal members are warning the white man not to sign anything here.

[Laughter.]

Mr. WILLIAMS. But we have a treaty obligation with a lot of the tribes which will not allow State block grants, in fact.

Ms. JAGIEL. Correct.

Mr. WILLIAMS. By treaty it does not allow them, but thank you.

Mr. Mitchell.

Mr. MITCHELL. As I said in my testimony, we believe that we need to maintain our national relationship to the Federal Government and direct programming to meet the needs of farmworkers.

Mr. WILLIAMS. Mr. Drach.

Mr. DRACH. Yes, Mr. Williams. We, too, would be very apprehensive about block grants to serve veterans. We have every reason to believe that we will not be served by block grants.

Mr. WILLIAMS. Ms. Stearnes.

Ms. STEARNES. The Federal system, even with its obstacles that it sets up, has at least provided the ability to have a network, and I think that network would really be adversely impacted by State block grants, in addition to our suspicion that funding would diminish over time.

Mr. WILLIAMS. Thank you.

Thank you, Mr. Chairman.

Chairman McKEON. Mr. Green.

Mr. GREEN. Thank you, Mr. Chairman. I did not realize there was not anybody left on the other side. I apologize.

Mr. Drach.

Mr. DRACH. Yes, sir.

Mr. GREEN. I apologize. I was in a mark-up in another committee and having to come back because both the hearings and the Chairman has been great to have a number of hearings for us, to have different panelists and people from all walks of life, and I come from an urban area in the City of Houston. So I was interested particularly in Ms. Pena's testimony about the rural opportunities because I have a majority Hispanic district, and one of my goals has been to make sure that our job training programs and our access is not limited from what her testimony said.

But one of the successes I have been able to have with our veterans, because we have had the same problem with homeless veterans, is that we established and work with an umbrella group of the Homeless Coalition in Houston about 18 months ago, and we have been working with HUD. Now, they did not give us the grant just for the homeless veteran section of it, but it was part of the total grant.

Staff I was checking with because I do not know actually. HUD did not tell us that, you know, the VA, because we have a VA hospital and we have a lot of services that are offered there, and I would have been just like you have. I would have been offended if HUD said VA takes care of veterans, because VA is in addition to what every other person hopefully can have access to in our country.

That is the success we have had, but it was in coordination so that we can ask for a block grant, Mr. Chairman, so to speak, and then we divide it or at least the service providers who individually are not large enough to go through the paperwork or do anything through HUD, but we can do that.

I guess in seeing your testimony on the one-stop center, and I will check, but we just created one in Houston without designation from the Federal Government, and it was with our Houston Community College, our PIC group, and also with our Texas Employment Commission, and I will make sure that veterans—it is supposed to be a typical walk-in. No matter who you are you can access, you know, by tele-hook-up and lots of different services, and when you talk about that, I will make sure that veterans also have access to that and we have VA information on that computer.

I am almost sure we do because in the community it serves there are a great many veterans groups who are very active, but I appreciate your being here today and your testimony.

Obviously some of us share your concern about block grants, and the earlier panel, if you heard the accountability issue and particularly Ms. Pena's lack of success until she found someone who was willing to provide that service to her, and oftentimes you may not find it if it is a block grant to a local community without some accountability back to where the money comes from.

Mr. DRACH. Thank you, Mr. Green.

Mr. Chairman, might I just make one other comment? I forgot in my original statement, and I think it is very important in your view of what you are going to design, whatever that may be.

For years and years and years counseling was provided through the Employment Service. They stopped providing counseling probably in the early 1980s, as I recall, but studies have shown that when counseling is provided, successful placements occur, and the VA system, again, is a good example of that because they do provide counseling.

So I think, yes, we need to be looking at providing that type of occupational counseling for unemployed people.

Thank you.

Mr. GREEN. Mr. Chairman, I just have one other question, and since each of them represent such divergent groups and I heard your testimony on the block grant, but what method could we devise that would insure that special populations, as our Ranking Member talked about, would be served, and do you have some suggestions other than what is in your testimony?

Ms. JAGIEL. Our method has always been built in government to government, tribe to tribe. They have used the Bureau of Indian Affairs to funnel the funds, and then they have used Department of Labor for the JTPA and the other types of programs, Health and Human Service for child care, and things like that, but it has always still been government to government.

So our mechanisms are in place as long as you continue to allow the tribes to consolidate.

Mr. GREEN. Did you want to respond?

Mr. MITCHELL. I was going to comment as well from a farmworker perspective, and I did not comment on this in our testimony, but the idea of lifelong learning, I think, is a very critical concept that we are finally getting a chance to look at, and if that idea could be dealt with in a way in which families could continue to work, which they obviously have to do, pick up additional skills in addition to the relatively entry level training that we provide in that short period of time that we are able to work with families, it would make it possible for them to move from entry level positions making $12,000 or $13,000 into positions that are higher up in the job market making $20,000 or $30,000, with ongoing, part-time, incremental training that goes along with their career path.

I think that is one of the missing pieces that we now do not have access to be able to do a great deal with that.

Mr. DRACH. Mr. Green, you know, we say that we want to give more authority to the States and that the States know best what their populations need. From our experience, States respond to political pressure. So even though the State's biggest problem might be migrant farmworkers, if the migrant farmworker does not have a strong political voice in that State's development its programs, the migrant farmworker is not going to be served in that program.

So it gets back to a Catch–22, I think, here. If you want to give it to the States and want to assure some priority of services for certain segments of the population, you have got to identify them in the law, and you have got to build on accountability, and that flies in the face of what you are trying to do.

So I do not envy you this job at all. It is going to be very difficult.

Chairman MCKEON. One of the things I really like about the change of the name of our committee to training and lifelong learning is that I think that our society really needs that now.

Some information I saw is that a high school class that would graduate this year going on to a four-year college, when they graduate in four years from college, half of the jobs that they go into are not now in existence. They will be created some time in the next four years.

So my grandpa who went to work as a young man as a custodian and spent his whole lifetime working as a custodian for a school, that does not much happen anymore. People change not just jobs, but they change careers. They change their whole environment, and I think it is very important that there is opportunity provided through community colleges, through other means that people can get training throughout their entire lifetime based on their desire.

My grandpa was happy as a custodian. His desire was to be the best custodian that he could be, and he did not feel like that was a menial job or he should be doing something else. So he was happy doing that.

But someone who is not happy in what they are doing should have the opportunity if they have the desire to go get training and to do something else.

In our proposal, which you have not had a chance to see yet, but, Mr. Mitchell, in your written report you specify that the Careers Program for Mr. Goodling last year and Mr. Zeliff both had set-asides for farmworkers and Native Americans, and our proposal will have that, the same as those programs last year.

It is interesting to me, Mr. Drach, the complaints that you have with the Federal Government, and yet you still would rather stay with them than local government. It is interesting to me.

My district, the earthquake in California last year, the epicenter, was in my district, and we have a veterans hospital there in Sepulveda that was damaged greatly, and the people in the area were upset. They wanted it to be rebuilt, and the decision was made in Washington to not do that because economically from Washington that was not a good option.

I think if that decision had been made on a local level, it would have been made more satisfactory for the veterans in the local level. Our desire is not to just send block grants out to the States. I made the comment here in probably most of these hearings that I have served as a local school board member for a number of years. I commend you for your work there, and as a mayor and a member of a city council, and we had at least as much complaint about the State government as we did about the Federal Government.

So what we are trying to do is get as close to the people that are looking for the services as we possibly can, realizing that as you have commented with the Native American there is a special situation, as with the farmworkers where you move from locale to locale.

I do have also some special consideration for older people, as I am now one.

Ms. STEARNES. I agree.

Chairman MCKEON. And getting more so as the days go by, but I think we really appreciate you coming here and being here.

What part of California are you from?

Ms. PENA. Oxnard.

Chairman MCKEON. Oxnard, right next to my district. So we are from the same area.

I appreciate your coming, appreciate your individual concerns, and as you can see, the reason we wanted you to come is because we are concerned about your particular needs, and we will try, as we go through this process, to make sure that we do consider those needs. I think that is the whole process.

I think being here is part of this system. We do not want to make things worse. We want to make things better, and this is what we are attempting to do.

So with no further questions then at this point, we will thank you again, and if you think of some other things that you would like to get to us as we go through this process, we are open and we would like to hear from you.

Again, thank you for being here.

And with unanimous consent, we will have all of your comments included in the record. Thank you very much.

[Whereupon, at 11:16 a.m., the subcommittee was adjourned.]

[Additional material submitted for the record folllows.]

SAMOAN SERVICE PROVIDERS ASSOCIATION (SSPA)
Samoan Training & Employment Program (STEP) - A Project of SSPA
2153 N. King St., Suite 308 - Honolulu, HI 96819 - Ph: 842-0218 - Fax: 847-6729
President: Frank Su'a Executive Director: William T. Emmsley.

March 22, 1995

The Honorable Howard P. "Buck" Mckeon, Chairman
Subcommittee on Postsecondary Education, Training and
Life-Long Learning

Dear Mr. Mckeon:

As the Executive Director of the Samoan Service Providers Association, an established community-based non-profit organization, I am writing to urge you to help preserve $5 million in funding for the American Samoan JTPA program in fiscal 1995, which congress passed with strong bipartisan support last year. I justify my request for the following reasons:

On April 17, 1900, the "Star and Stripes" waved proudly over American Samoan soil. Since, the Samoans have fought courageously in all of our country's wars in defense and the preservation of freedom and of our "way of life". In fact, during the Vietnam War (on a per capita basis) there were more American Samoans killed or wounded in battle than any other ethnic group in our country. Our unwavering patriotism and love for our country is very much evident. Through our mutual *Deed Cessions*, United States of America obligated itself to take care the education and welfare of the American Samoans;

In addition, unlike other American indigenous groups such as, the Native American Indians, Native Hawaiians, Native Eskimos, etc., they received special recognition and obvious treatment, and thus have numerous programs at their disposal to service their respective communities. Believe or not, JTPA is the only program that is currently serving the American Samoan community in the entire United States of America. Dreadfully, the current proposal (H.R. 1158 as reported), if it passes, will totally eliminate the only program that is helping our communities to realize the American dream. One in every four American Samoan families are under poverty which is well below the national norm, and we have the highest unemployment rate among all other ethnic groups nationally;

Furthermore, as "welfare reforms" are being debated in Congress, the American Samoans have consistently advocated for JTPA programs as a means to the end. We deliberately did not opt for social service oriented programs, because we vehemently believed that by teaching specific skills, JTPA participants would not only learn long life skills toward "self-reliance", but they would also enhance the quality of our labor force which benefits our private sector through competitive selection. So, you see, we are not asking for a handout, but a "win-win" program for both the public as well as the private sectors; and,

EST COPY AVAILABL

Finally, our last year's (PY '93-'94) JTPA efforts produced superb outcome performances. we enrolled, in our state alone, a total of 360 participants and terminated 174 participants. Of the 174 terminated, 98% were placed in unsubsidized work averaging $10.65/hour (for adults) and $8.49/hour (for youth). Of the 98% placed, 31% were on various public assistance programs and with remaining percentage of having multiple employment-barriers at the time of their enrollment. Contrary to general belief, our JTPA program has operated efficiently and effectively, and has continued to fulfill the purpose of JTPA above and beyond its measurable expectations.

Therefore, as data indicate, our JTPA program has worked marvelously throughout the years, and will continue to provide substantial opportunities for our disadvantaged community in our state. Having completely eliminate the only program that is now serving our community will have devastating impact socially, economically, as well as politically. So please, we urge you to reconsider the current proposal which unjustifiably eliminate the American Samoan's JTPA program totally and help preserve the already allocated $5 million.

Your serious consideration is most greatly appreciated.

Sincerely,

William T. Emmsley, Jr.
Executive Director

CONGRESS OF NATIVE AMERICAN SAMOAN CHIEFS
7718 Sagewood Drive, Huntington Beach, CA 92648

March 23, 1995

Statement to the
COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES

The Honorable Howard P. "Buck" McKeon, Chairman
and Distinguished Members of the
Subcommittee Post Secondary Education
Training, and Life Long Learning

Mr. Chairman and Distinguished Members:

We had requested to personally appear before your distinguished committee to represent American Samoans in California. Unfortunately, no opportunity was given. Therefore, I humbly submit this written statement.

As Chairman of the Congress of Native American Samoan Chiefs, I am terribly disturbed by the news that our Samoan Community's "Native American Samoan and Employment and Training Program" has been slotted for cancellation of funding. I am immediately writing you directly to request for reconsideration on the funding for the critically needed program which targets the economically disadvantaged American Samoans residing in the United States. This population is indigenous to the United States and is "hard to serve" and "high risk" reference job acquisition due to language, economically disadvantage, education and cultural barriers. The program, "Native American Samoan Employment and Training Program" has been instrumental in preparing and entering our people into the job force. Without this program, our people will return to a state of inaccessibility to job training and job placement. Records on this program's achievements bear forth the great success that has occurred within our isolated community reference members of our community becoming self sufficient and living productive lives.

American Samoans in the United States is a young population with a disproportionate number of its youth found in correctional facilities. The bulk of our population reside in high crime, violent neighborhoods because of their poverty and economically disadvantaged status. No other program exist that is culturally and linguistically appropriate to address this very needy population.

As background information on our population, the highest per capita are the American Samoans reference serving in the military. I, myself, am a veteran of the Korean War. A disproportionate number of our people died in war to protect our great nation, the United States. Our chiefs ceded our island homelands to the United States through treaties back in 1900 and 1914. The major event of the year for American Samoans is Flag Day, which commemorates the raising of the U.S. Flag in American Samoa. It troubles us deeply that in time of need that we are labeled as a "luxury" and completely eliminated without due process.

The State of California houses the largest population of Samoans, surpassing the number of Samoans in the States of Hawaii, Washington and the homeland American Samoa. The American Samoan California population's JTPA program was awarded $750,000.00 which was administered by the National Office of Samoan Affairs. This program targeted four regional areas which has the largest concentration of Samoans in the State of California (Los Angeles County, San Francisco County, Orange County and San Diego County). It was told to our community that the amount would have been appropriate to take care of one region, however, because of the deep commitment of the staff of the National Office of Samoan Affairs to serve its people by creatively stretching its limited budget to address as many people and in four regions is most commendable. Out of five million dollars allocated under Title IV for American Samoan JTPA Program, $750,000.00 was awarded for California. The remainder was allocated for the States of Hawaii and Washington.I would hope that you and your committee would see that the amount of $750,000.00 is cost effective.

The Congress of Native American Samoan Chiefs was in the forefront when the original legislation was developed in 1988 and signed by President Reagan,that specifically targeted our American Samoans. I am asking that you and your committee please maintain that target, the American Samoans by reconsidering refunding the "Native American Samoan Employment and Training Program." It's been the history for our people to be over-looked and to "fall through the cracks." To say that our great nation cannot afford to help our community to help ourselves, which is the case with the "Native American Samoan Employment and Training Program," would be a great set back.

The JTPA American Samoan program is working in our communities and at a cost effective manner. Allow it to continue to make the great strides it has been achieving for our people in California.

Soifua (long life to you).

High Chief Tuimavave

BEST COPY AVAILABLE